UNWAVERING RESILIENCE.
TRANSFORMATIONAL GROWTH.

Annual Report 2013

英利国际置业

YING LI INTERNATIONAL
REAL ESTATE

CORPORATE PROFILE

Ying Li International Real Estate Limited ("Ying Li" or "the Group") is the first Chongqing property developer to be listed in Singapore through its key subsidiary, Chongqing Yingli Real Estate Development Co., Ltd. ("Chongqing Yingli" or the "Company"). The Group engages principally in the development, sale, rental, management and long-term ownership of high quality commercial and residential properties in prime locations in Chongqing. Chongqing Yingli is a recognised brand in Chongqing for quality, innovation and excellence in commercial property development, and is well-positioned to capitalise on the strong market growth in Chongqing.

Established in 1993, Chongqing Yingli has a solid track record in urban renewal, having transformed old city areas into high quality and premier design developments. Chongqing Yingli has successfully modernised the landscape of the city centre in Chongqing's main business districts, developing several landmark commercial buildings such as New York New York, Zou Rong Plaza, Future International and Ying Li International Financial Centre.

Over the years, Chongqing Yingli has also earned numerous awards and accolades such as Chongqing Real Estate Development Industry Trustworthy Brand Award (AAA-highest category) and Chongqing's Top 50 Real Estate Development Enterprises in 2001, 2003, 2005, 2007, 2009, 2011 and 2013. The Company's recognised efforts and capabilities have enabled it to continuously secure land in prime locations, build premium commercial developments and attract prestigious clientele.

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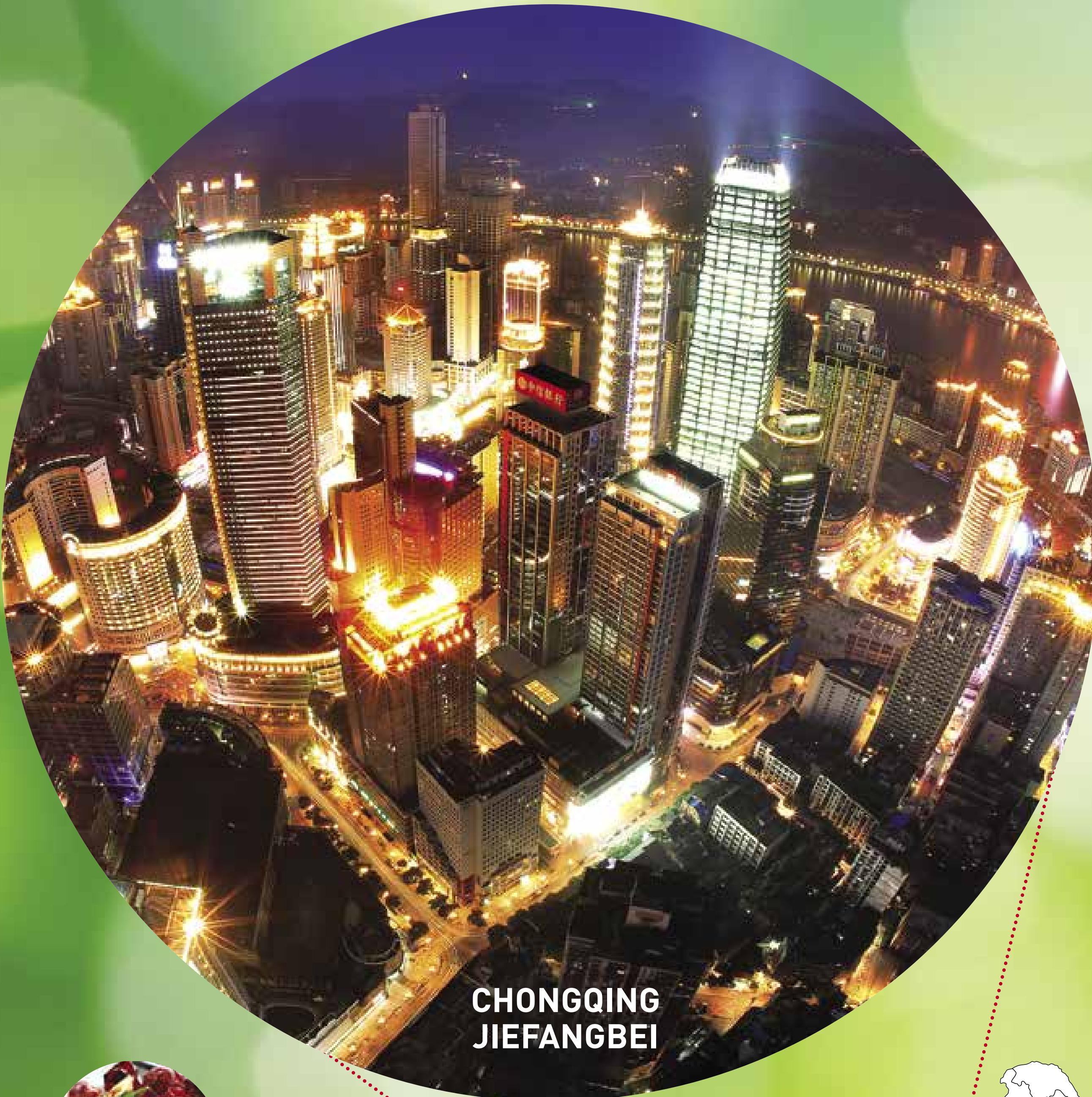
COMMERCIAL


RETAIL


RESIDENTIAL


CHONGQING
JIEFANGBEI


Beijing
Shanghai
Chongqing
Hong Kong

YEAR IN REVIEW

MARCH 13

- Successful redemption of the balance outstanding S$195million convertible bonds

APRIL13

- Shareholders approved all resolutions at Ying Li's annual general meeting
- Appointment of 3 new board members, namely Mr. Ho Sheng, Mr. Tan Kim Seng and Mr. Tan Sek Khee

MAY 13

- Commencement of the pre-sales of Ying Li International Plaza office tower

JULY 13

- Appointment of Group Chief Operating Officer, Mr. Tan Kiang Hwee
- Ying Li International Financial Centre was awarded "2012 Chongqing Bayu Prize"
- Named 2012 Trustworthy Unit by Chongqing Municipal Administration for Industry and Commerce
- Formulation of Ying Li 3.0 strategic growth plan
- Shortlisted as finalist for Best Managed Board Award (Mid Cap)
- Commencement of Ying Li Financial Street project Phase 1 construction and resettlement on Phase 2 land

YEAR IN REVIEW

OCTOBER 13

- Commencement of San Ya Wan Phase 2 construction

NOVEMBER 13

- Appointment of Group Chief Financial Officer, Mr. Johnnie Tng
- Commence handover of Ying Li International Plaza residential units in Tower 4 & 5

DECEMBER 13

- Named Chongqing's Top 50 Real Estate Enterprises for the 7 consecutive sessions
- Awarded 2012 – 2013 Chongqing Real Estate Development Industry Trustworthy Brand
- Conferred Chongqing Real Estate Development Industry Trustworthy Brand Award (AAA-highest category)
- Ying Li International Financial Centre was awarded "2012 – 2013 China Luban Prize", China's Highest Accolade for Design and Construction
- Opening of Ying Li International Plaza retail mall on 20 December 2013

RESULTS AT A GLANCE

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31

	31-Dec-13 RMB'000	31-Dec-12 RMB'000	Variances RMB'000	Variances %
ASSETS				
Non-current assets:				
Property, plant and equipment	8,748	9549	(801)	-8.4%
Investment properties	3,837,685	3,115,951	721,734	23.2%
Prepayment	208	708	(500)	-70.6%
Total non-current assets	**3,846,641**	**3,126,208**	720,433	23%
Current assets:				
Development properties	3,241,927	3,055,431	186,496	6.1%
Trade and other receivables	177,245	434,506	(257,261)	-59.2%
Cash and cash equivalents	727,132	758,974	(31,842)	-4.2%
Total current assets	**4,146,304**	**4,248,911**	(102,607)	-2.4%
Total assets	**7,992,945**	**7,375,119**	617,826	8.4%
EQUITY AND LIABILITIES				
Capital and reserves:				
Capital contribution	3,536,777	3,528,340	8,437	0.2%
Other reserves	(1,857,625)	(1,917,772)	(60,147)	-3.1%
Retained profits	1,717,678	1,567,319	150,359	9.6%
Non-Controlling Interest	54,969	55,473	(504)	0.9%
Total equity	**3,451,799**	**3,233,360**	218,439	6.8%
Non-current liabilities:				
Deferred taxation	483,593	430,540	53,053	12.3%
Borrowings	814,375	1,052,437	(238,062)	-22.6%
Total non-current liabilities	**1,297,968**	**1,482,977**	(185,009)	-12.5%
Current liabilities:				
Trade and other payables	1,159,081	1,052,789	106,292	10.1%
Provision for taxation	95,641	136,213	(40,572)	-29.8%
Borrowings	1,988,456	1,469,780	518,676	35.3%
Total current liabilities	**3,243,178**	**2,658,782**	584,396	22.0%
Total equity & liabilities	**7,992,945**	**7,375,119**	617,826	8.4%

- Due to disposal, depreciation of property, plant and equipment
- Mainly due to revaluation gains and addition of Ying Li International Plaza mall into the investment properties portfolio
- Mainly due to amortisation of long term deferred assets
- Incremental developmental costs of Ying Li International Plaza, San Ya Wan Phase 2 and Chongqing Financial Street Project
- Collection of outstanding receivables from sale of IFC office units
- Increase in unrealised translation gains due to strengthening of RMB
- Deferred tax provisions on revaluation gains on investment properties
- Due to redemption of convertible bonds and reclassification of long term loans
- Increase in payables from the Ying Li International Plaza
- Due to lower operating profits avhieved for FY2013
- Drawdown of loans to fund project development

RESULTS AT A GLANCE

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31

	31-Dec-13 RMB'000	31-Dec-12 RMB'000	Change %
Revenue	638,823	585,220	9.2%
Cost of sales	(387,540)	(328,415)	18.0%
Gross profit	**251,283**	**256,805**	-2.2%
Other income	7,075	17,057	-58.5%
Loss on redemption of Convertible bonds	(17,041)	–	n.m.
Selling expenses	(37,989)	(40,611)	-6.5%
Administrative expenses	(65,542)	(80,503)	-8.6%
Fair value gain	259,592	378,332	-31.4%
Finance costs	(105,093)	(15,274)	588.1%
Profit before tax	**292,285**	**515,806**	-43.3%
Income tax expense	(87,125)	(138,197)	-37.0%
Profit for the period	**205,160**	**377,609**	-45.7%
Profit attributable to:			
Ordinary shareholders of the Company	205,664	377,184	-45.5%
Minority interests	(504)	425	n.m.
	205,160	**377,609**	-45.7%

Revenue increased:

- Mainly due to revenue recognition from the handover of completed residential units in Ying Li International Plaza project
- Higher rental income due to higher occupancy at IFC

Gross profit decreased:

- Mainly attributable to the different mix of properties sold which was partially offset by and higher contribution margin from rental income

Selling expenses decreased:

- Mainly due lower sales commission paid out in FY2013 as most of the sales of Ying Li International Plaza took place in 2012

Administrative expenses decreased:

- Foreign exchange losses from adverse movements in the USD-SGD rate for a USD denominated loan drawn down in 2013
- Loan facility fees paid to a financial institution for the drawdown of a loan in 2013
- Increase in legal and professional fees as well as increase in accrual for staff bonuses

Fair value gain decreased:

- Bulk of the fair value gains arose from the valuation of the Ying Li International Plaza mall, for which fair value gains had been progressively recognized during construction

Finance expenses increased:

- Due to accounting treatment for interest, interest asssociated with the contruction loan of the competed IFC project is expensed off in the statement of comprehensive income

Income tax expense decreased:

- Mainly due to increase in taxable profit from the sales of Ying Li International Plaza units

Decline in Profit attributable to ordinary shareholders of the Company:

- Mainly due to the lower profit margin from the sales of different mix of properties sold, lower fair value gain, and higher cost of borrowing and interest expense previously capitalized during construction now expensed to the statement of comprehensive income

Fang Ming
Executive Chairman
& Group CEO

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, it is my pleasure to present Ying Li International Real Estate Limited's ("Ying Li" and together with its subsidiaries, the "Group") annual report for the financial year ended 31 December 2013 ("FY 2013").

Operational Highlights

Despite the global economy making its slow recovery five years after the global financial crisis, China's GDP maintain its steady growth of 7.7% in 2013 as it undergoes reforms to ensure long-term economic sustainability. While the Central Government continued its effort to cool the property sector, real estate investment and property sales in China experienced accelerated growth. Real estate investments accounted for 15% of China's gross domestic product (GDP) in 2013, translating to an increase of 19.8% from 2012, while property sales rose 17.3% in gross floor area and 26.3% in value terms, compared to 2012 annual increases of 1.8% and 10.0% respectively. The property sector remains one of the main drivers of the economy. Buoyant property sales as well as government efforts to promote development of affordable housing have enabled a greater rate of development and expansion in investment.

2013 was a significant year for the Group. The Group achieved a 9.2% growth in revenue to RMB 638.8million on the back of revenue recognition from the handover of completed residential units in Ying Li International Plaza project as well as higher occupancy at Ying Li International Financial Centre ("IFC") office units. Adhering to the Group's prudent financial management, the net debt to equity and debt to total asset was 60.1% and 35.1% respectively at the end of FY 2013. As Chongqing's largest landlord in the core CBD area, the Group's investment properties value rose 23.2% to RMB 3,837.7million, growing the net asset value per share from RMB 1.47 in FY 2012 to RMB 1.57 in FY 2013.

In March 2013, the Group successfully redeemed the balance outstanding S$ 195million 4.0% convertible bonds due in 2015. This redemption exercise demonstrated the Group's ability to generate cash to meet its obligations when due. With projects currently under development spanning a total gross floor area (GFA) of 1 million square meters("sqm"), we are well positioned for steady growth in the coming years. We have also started implementing Ying Li 3.0, the Group's strategic growth plan which aims to double the completed GFA within the next five years.


中信銀行

CHAIRMAN'S STATEMENT

Our commitment to business excellence and delivering quality projects has won us widespread recognition, both from the government and the industry in China. In 2013, we received the following awards:

- "Chongqing's Top 50 Real Estate Enterprise Award" from the Chongqing Municipality's Construction Commission, for 7 consecutive sessions
- "Chongqing Real Estate Development Industry Trustworthy Brand Award" from the Chongqing Real Estate Development Association
- "Chongqing Real Estate Development Industry Trustworthy Brand Award (AAA-highest category)" by Chongqing Real Estate Development Association
- "2012-2013 China Luban Prize" for Ying Li International Financial Centre, awarded by The Ministry Housing and Urban-Rural Development of the People's Republic of China and China Construction Industry Association

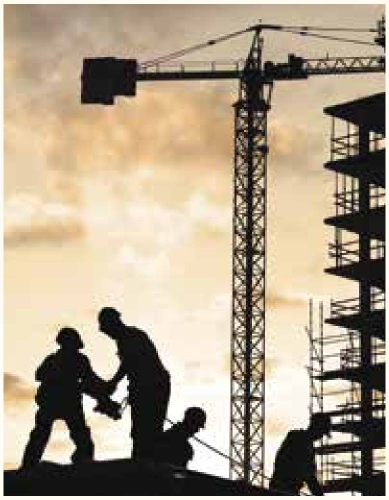
The Group continues to adhere to its commitment in maintaining high standards of corporate governance, integrity, accountability and transparency. In the latest Governance and Transparency Index ("GTI") compiled jointly by National University of Singapore and The Business Times, the Group improved its overall GTI score and ranked 29th among 664 SGX-listed companies covered in the 2013 index.

Property Sector Outlook for China and Chongqing

Chongqing's economy continues to advance strongly. In 2013, Chongqing's GDP grew by 12.3% to RMB 1,265.7billion and GDP per capita was RMB 42,977, a year-on-year increase of 10.0%. Urban household annual disposable income increased by 9.8%, reaching RMB 25,216 while retail sales rose 14.0% to RMB 451.2billion. Fixed Asset Investments exceeded the RMB 1trillion mark for the first time, surging 19.5% to RMB 1,120.5billion. On the back of strong fundamentals and positive investment environment, Chongqing continues to be one of the leading investment destinations in China, attracting 235 of the Fortune Global 500 companies with foreign direct investment reaching USD 10.6billion. Investments in Chongqing's real estate sector grew 20.1% to RMB 301.3billion. As part of Central Government's effort to encourage rural residents to resettle in developed cities, Chongqing's urbanization rate continued unabated with 1.4% increase to 58.3%.

At the beginning of 2013, the Central Government announced the"Five New Measures"《新国五条》real estate tightening policies. Implemented by the respective local governments, the aim was to control the rapidly rising housing prices and to curb speculative purchases to ensure a healthy and stable development of the real estate industry. In reaction to these measures, sales have dropped significantly in many cities. However, this

CHAIRMAN'S STATEMENT



downward trend rebounded strongly in the second half of the year with the emergence of "land king" – a term that refers to the most expensive plot of land in a city. "Land king" has been picking up traction over the past few months as developers in first- and second-tier cities continue to shell out larger sums for land, hence driving up home costs and property prices. Despite the increase in property prices, the supply is met with strong underlying demand. In 2013, 1.31billion square meters of commodity (private) residential space was sold, up 17.3% year-on-year.

The market is positive on the long-term real estate investment environment following the stable progress on land reform measures and implementation of property taxation system. On 30 July 2013, the ruling Politburo met and proposed "To Promote Stable and Healthy Development of the Real Estate Market" and "To Promote Consumer Expenditure, Maintain Reasonable Investment Growth". On 12 November 2013, the 18th Communist Party of China approved decisions on "Major Issues Concerning Comprehensively Deepening Reforms"《关于全面深化改革若干重大问题的决定》during the Third Plenary Session. Part of the comprehensive reforms is to look at the long-term sustainability of the real estate market and establish a regulatory mechanism to guide the real estate market in the right direction.

As part of China's "Five New Measures", the Chongqing government has increased the supply of land for commodity residential units. Together with rising demand for housing and easing in the macroeconomic environment, Chongqing's real estate market shown stable growth in the past year. In 2013, Chongqing sold 48.2million square meters of real estate spaces, up 6.5%, of which sales of commodity residential took up 43.6million square meters, an increase of 6.2%. The prices for Chongqing commodity residential rose 8.3% to RMB 7,322 per sqm.

Shortly after being named Chongqing's Party Secretary, Mr. Sun Zengcai, proposed a regional development strategy for Chongqing to be divided into five functional areas – urban core area, urban functional expansion area, urban development new area, Chongqing northeast ecological conservation and development area, and Chongqing southeast ecological protection and development area. These five functional areas will help stimulate the growth of Chongqing's economy and accelerate the urbanization process, thereby creating more sustained demand and attracting more foreign investment and companies into Chongqing. Collectively, these factors would contribute to the long-term growth of Chongqing's real estate market.

We believe, as both the Central and local governments continue to implement the reforms, Chongqing's real estate market will see a new wave of unprecedented development opportunities. Also, the continuing strong economic growth, rapid urbanization rate, "Go West" national development plan as well as greater emphasis on consumption-led growth is expected to translate into demand for a wide spectrum of real estate products in the coming years. Ying Li, with more than 20 years of successful track record, sterling reputation and solid execution capability, is well poised to ride on the growth trends of the Chongqing economy and real estate market.

Projects under Development

In December 2013, the Group successfully completed and opened the Ying Li International Plaza retail mall (100,524 sqm GFA) and handed over most of the residential units in Tower 4 and 5 on schedule. Located in the centre of the bustling Yuzhong Daping area, Ying Li International Plaza (409,141 sqm GFA) is by far the largest and most complex development undertaken by the Group. We expect to complete the remaining 3 tower blocks on time in 2014. The Group's success to date in this project attests to the strong execution capability of the Group and the quality of our products.

During the year, we commenced construction on two other large projects – San Ya Wan Phase 2 and Ying Li Financial Street. San Ya Wan Phase 2 is an approximately 307,000 sqm GFA residential project located in a residential/commercial centre in the Liangjiang New Area, about 15 minutes' drive from Chongqing CBD and International Airport. We expect to start pre-sales in 2014.

CHAIRMAN'S STATEMENT

Ying Li Financial Street project is an approximately 297,000 sqm GFA high-end office-cum-retail development strategically located on the much anticipated Chongqing Financial Street in Chongqing's core Jiefangbei CBD. We expect to commence pre-sales of the office units in 2015.

The three projects under development, comprising Ying Li International Plaza, San Ya Wan Phase 2 and Ying Li Financial Street, total 1million sqm GFA. This project pipeline is expected to generate strong cash flow from pre-sales and sales of the properties yearly in the near future.

Ying Li 3.0 Growth Plan

The Board and Management have jointly formulated a strategic growth plan called Ying Li 3.0 to propel the Group forward. Under Ying Li 3.0, the Group aims to double the GFA completed every 5 years. To achieve this, the Group will:

a. Deepen its presence in the Chongqing market by expanding in both core and district CBDs. Chongqing will remain as the Group's key investment market.
b. Expand into high growth 2nd tier China cities
c. Develop new real estate business, potentially in residential estate and capital/asset management such as real estate investment trusts for the Group's investment properties.

Besides strengthening our competencies to implement the Ying Li 3.0, we will seek to diversify our funding sources, including seeking joint venture partnerships with like-minded developers. We have also stepped up our efforts to identify and evaluate land and project investment opportunities.

Conclusion

Going forward, the Group will differentiate and compete by building products which have outstanding design, premium quality, eco-friendly features and rich user experience. In addition to this, we will also create continuing value returns for our stakeholders – our shareholders, employees, customers, partners, local government and the country.

This year we bid farewell to Mr. Lui Seng Fatt and Mr. Chan Hock Eng as they retired from the Board. The Board would like to thank them for their valuable service to the Group and wish them well.

On behalf of the Board, I welcome Mr. Ho Sheng, Mr. Tan Kim Seng and Mr. Tan Sek Khee to the Board. The Group will continue to attract talent at all levels to strengthen its management capability.

Finally, I thank shareholders, Directors and staff, customers, partners and the local government for your strong ongoing support to the Ying Li Group.

Fang Ming
Executive Chairman & Group CEO
March 2014

董事局主席 致辞

尊敬的各位股东：

代表我们的董事会，本人在此欣然呈报英利国际置业股份有限公司（下称“英利”，并连同其他集团公司，总称为“集团”）截至2013年12月31日（“2013年度”）的年度报告。

运营亮点

随着世界经济从五年前的全球金融危机中缓慢复苏，中央政府为了确保经济的长期可持续发展，持续推出了许多改革方案，中国的经济因此保持稳健的增长。中国2013年国内生产总值(GDP)按可比价格计算，比上年增长7.7%。尽管中央政府持续强调房地产调控不放松，中国房地产投资和房地产销售仍然经历着加速增长。房地产投资占中国国内生产总值的15.0%，比2012年上升了19.8%；商品房销售面积和销售额分别相较2012年时同比增长了17.3%和26.3%，两者在2012年的增长率分别为1.8%和10%。房地产行业仍然是中国经济的主要驱动力之一，商品房销售火爆以及政府努力建立更多经济适用房将加速发展房地产行业和扩大投资增长。

2013年对集团来说是具有重大意义的一年。在集团营运班子和全体职工同心同德下，公司仍然保持稳健增长。随着英利国际广场4、5号住宅塔楼的交付和英利国际金融中心写字楼的租售增长，集团实现总收入6.388亿元人民币，比2012年增长9.2%。秉承集团的审慎理财，净负债与股东权益之比和负债与总资产之比分别是60.1%和35.1%。作为重庆核心商业区开发高端商业物业和综合性物业的最大业主，本集团的自持商业物业实值上升23.2%至38.377亿元人民币，每股资产净值从2012年的1.47元人民币增长到2013年的1.57元人民币。

在2013年3月7日，我司成功的赎回未偿还的1.95亿新币可换股债券，这证明了我司具备产生足够的现金流来偿付其他债务的能力。我司目前正在开发的项目总建筑面积超过100万平方米，我们已准备就绪，在未来几年实现稳健的增长。我们也开始推行英利3.0战略发展计划，将在未来5年内，竣工面积将增加一倍。

公司在经营活动中的良好表现，也赢得国内政府及各个领域的广泛认同。2013年，公司荣获重庆市建设委员会、重庆市城市建设综合开发管理办公室颁发的第八届“重庆市房地产开发企业五十强”，公司已连续七届荣膺此荣誉。公司也被重庆市房地产开发协会评为“2012-2013年度重庆市房地产开发行业信用品牌企业”；被重庆市房地产开发协会评为“重庆市房地产开发行业企业社会信用等级证书（AAA）”。英利IFC凭借其高端的硬件配置被中华人民共和国住房和城乡建设部、中国建筑业协会授予"2012-2013年度中国建筑工程鲁班奖（国家优质工程）"。

与此同时，公司在信息披露和企业管理方面也卓有成效，2013年由新加坡国立大学商学院的治理、机构和组织中心和《商业时报》联合推出的监管与透明度指数（简称“GTI”）公布公司排名显示，公司在所有664家被考核的新加坡上市企业中排名第29。

中国和重庆的房地产前景

重庆的经济发展势头强劲。2013年重庆市的GDP同比增长12.3%达12,657亿元，人均GDP达到42,977元，同比增长10.0%。城镇居民人均可支配收入25,216元，比上年增长9.8%。实现社会消费品零售总额4,512亿元，同比增长14.0%。固定资产投资首次超过1万亿元人民币的标记，同比增长19.5%至11,205亿元人民币。同时，作为中国第四个并且是西部唯一的直辖市，西部大开发政策和两江新区的成立，吸引了越来越多的跨国企业和金融机构来渝。因重庆良好的投资环境、政策优势和发展条件，正成为海外投资者抢滩的热土。迄今为止，进入重庆直接投资的世界500强企业超过235家，实际外商直接投资达到106亿美元。全市房地产开发投资3013亿元人民币，同比增长20.1%。随着中央政府鼓励农村居民定居城市，重庆城镇化率上升到58.3%，比上年提高了1.4个百分点。

年初，“国五条”及各地细则陆续出台，主要目的是控制房价的过快上涨和抑制投机购房，促进房地产市场健康稳定发展。从一年来的实施情况来看，市场并没有出现长期的停滞，反而出现了一波新的增长趋势，特别是在下半年，一、二线城市陆续出现“地王”，价格持续走高，刚需产品市场需求旺盛。所谓“地王”，是指在一个城市里以最高价被拍得的建筑用地，如果土地价格持续攀升，那么房屋价格永远不会下跌。2013年，商品房销售面积130,551万平方米，比上年增长17.3%。

随着土地、财税制度改革和住房供应体系的稳步推进，以市场为决定的调控机制将会逐渐形成，房地产投资环境及投资情绪长期看好。在7月30日举行的中共中央政治局会议上，提出了“促进房地产市场平稳健康发展”以及“推动居民消费升级，保持合理投资增长”。11月12日，在中国共产党十八大三中全会上，通过了《关于全面深化改革若干重大问题的决定》，强调进行全面深化改革，放眼于房地产市场的长期健康发展，从顶层设计上为房地产长效机制建立建全指明方向。

在2013年里，由于市场需求的释放以及宏观环境的宽松，重庆的房地产市场整体呈现出“稳中有进”的平稳健康发展局面。受新国五条增加普通商品房供给及用地供应的影响，重庆的房地产市场交易活跃度良好，供需两旺，尤其下半年成交火爆。2013年全市商品房销售面积4817.56万平方米，同比增长6.5%，其中商品住宅销售面积4359.19万平方米，增长6.2%。商品房成交均价为每平方米7,322元，较去年同期上涨8.3%。

重庆市委书记孙政才主政后，提出了重庆的区域发展战略，即将全市划分为都市功能核心区、都市功能拓展区、城市发展新区、渝东北生态涵养发展区、渝东南生态保护发展区五个功能区域。建设五大功能区，是对重庆城市的科学规划，会从整体上推动重庆经济的大发展，促进重庆的城镇化进程，从而产生更多的刚性需求，并吸引更多的外资资金和企业入渝，长远来讲会带动和促进重庆的房地产市场。

我们相信，在国家层面和地方层面不断全面深化改革的大背景下，重庆的房地产业将迎来更多的机遇和发展空间；而对于英利这样擅长打造高品质的商业地产和商业综合体的企业来说，伴随重庆经济的不断发展，以及不断加快的城镇化进程，在新的一年里将会开创新的辉煌！

在建物业

“英利国际广场”的商场（100,524平方米建筑面积）于2013年12月20日顺利的营业，并移交大部分4和5号塔楼的住宅单位。英利国际广场（409,141平方米建筑面

董事局主席 致辞

积）位于渝中区大坪区的核心位置，是迄今我司开发的最大项目。我们预期在2014年内完成剩余的3个塔楼。我司在该项目所取得的成功证明了公司产品质量和强大的执行能力。

2013年我们开始“三亚湾二期项目”的施工。随着“两江新区”这个继上海浦东新区和天津滨海新区之后全国第三个国家级开发开放新区的发展，“三亚湾二期项目”的市场价值也不断提升。三亚湾二期为都市综合体升级项目，荟萃高尚住宅及精品商业等，建成后将成为两江新区的大型综合商业核心项目，功能辐射两江。公司预期在2014年进行预售。

地处重庆市政府打造的未来“西部华尔街”——五一路金融总部集聚区的“英利·金融街项目”，工程进度也在稳步展开。这总建筑面积297,000平米的“英利·金融街”项目将建成集甲级写字楼和高端商场为一体的高端综合性项目，打造为解放碑五一路金融街地标建筑。公司预期在2015年进行写字楼预售。

正在开发的三个项目，包括英利国际广场，三亚湾二期和英利·金融街项目，总建筑面积高达100万平方米。这些项目预计将通过销售为公司创造强劲的现金流。

英利3.0战略计划

董事会及管理层共同制定名为英利3.0战略计划，推动集团向前发展。在英利3.0战略计划里，公司旨在每5年提高竣工建筑面积一倍。为了实现企业的宗旨和目标，英利将通过进入新市场和开发新产品拓展业务。我们计划采取下列措施：

a. 深入挖掘重庆市场。除了核心商圈之外，英利还会拓展至区域核心商圈以及重庆郊县的市中心。集团的主要投资市场仍然是重庆。

b. 拓展至中国高增长的二线城市。

c. 开发新的房地产产品和业务，特别是住宅地产的开发，以及房地产资产管理，比如对集团旗下的投资物业作房地产投资信托。

除了加强公司的能力以及贯彻落实英利3.0战略计划，我们正在寻求更多元化的资金来源，包括与志同道合的开发企业建立合资伙伴关系。公司也会加强努力寻找高回报的土地和项目机会。

展望未来

今后，公司将会继续打造设计优良、品质高端、具有创新性、环保并提供客户体验的产品。除此之外，我们还将为股东、投资者、员工、合作伙伴、客户、当地政府以及国家持续创造价值。

在2013年，吕醒发先生及曾福荣先生退任董事会职位。董事会谨此感谢他们的领导及贡献，祝他们前程锦绣。

代表我们的董事会，我们欢迎新加入董事会的何森先生，陈金城先生和陈植奇先生。他们三人均拥有深厚的行业背景和丰富的从业经验，将为董事会作出卓越贡献。我们相信人才是企业成功制胜的法宝，为了更好地促进企业的长远发展，我们积极吸纳更多高素质的国际型人才加入英利。

最后，我在此衷心地感谢各位股东、董事、员工、客户、合作伙伴及当地政府的的支持和信任。我们将坚定不移，并为之而继续努力。

方明
英利国际置业集团董事长兼总裁

2014年3月


ifc

YING LI 3.0

THE BOARD'S STRATEGIC PLAN – YING LI 3.0

In June 2013, the Board of Directors ("the Board") gathered in Chongqing together with the Group's senior management team for a Board strategic planning session. The objective was simple: bring Ying Li to the next stage of growth. After spending hours discussing how to turn Ying Li's challenges into opportunities and identifying new growth area, the Board and the management collectively agreed on the new Ying Li 3.0 strategic plan.

Ying Li 3.0 is the Board's strategic plan to transform Ying Li organizationally and create a new growth curve for the company by building on its existing strong foundation to capitalize on the market trends and exploit the vast opportunities ahead.

Ying Li 3.0: Goals

- To be a leading niche and ecologically-responsible developer and manager of integrated commercial, residential and thematic real estate
- To invest in products which are renowned for their design, quality, innovation, eco-friendliness and customer experience
- To focus our corporate social responsibility efforts on the local community, the environment and education
- To create sustainable value for our stakeholders

Ying Li 3.0: Business Strategy

- To achieve these goals, Ying Li will grow by entering new markets and developing new products. Specifically, we plan to:
  - » Leverage on the Chongqing market and strengthen our foothold in Chongqing, which will continue to be our main business focus. Besides the core CBD, Ying Li will expand into district CBDs and suburban centers in Chongqing, including the Liangjiang New Area (a key national initiative to drive the development of central and western China)
  - » Expand into high growth 2nd tier cities in China. Ying Li will select one or two initial cities which we have forged good relationships with the local government and partners, and build critical mass of business in each of these cities; and
  - » Develop new real estate products and businesses, particularly in residential townships & estates, thematic commercial developments and property capital and asset management (e.g. REIT). We plan to develop these new products in addition to growing our integrated commercial property business which is our current core strength.

YING LI 3.0

Ying Li 3.0: Financial Strategy

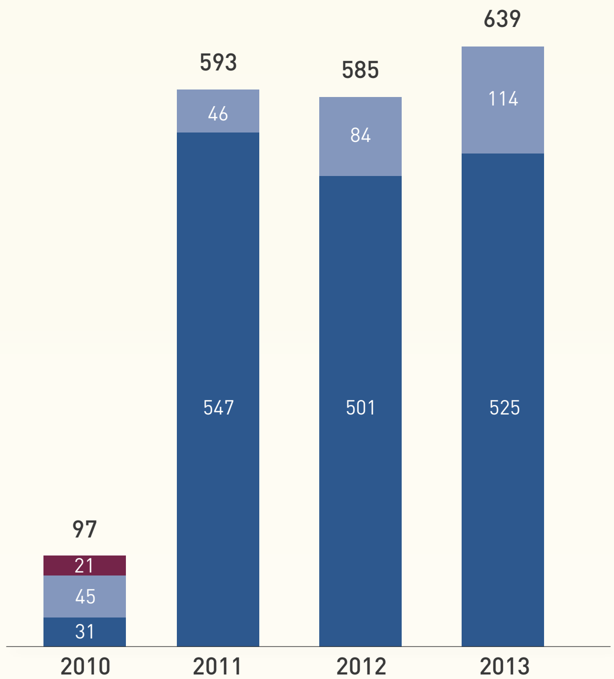
- To support the Ying Li 3.0 business goals and growth strategies, we plan to adopt the following principles in our business strategy:
  - » Optimize capital recycling, including through a REIT (real estate investment trust) vehicle for our investment properties such as retail malls
  - » Optimize capital leverage for project development and investment asset holding
  - » Increase recurring income to reduce lumpy swings in annual revenue and profit
  - » Establish joint ventures at project level while maintaining effective control of the projects and branding

Ying Li 3.0: Competitive Advantage

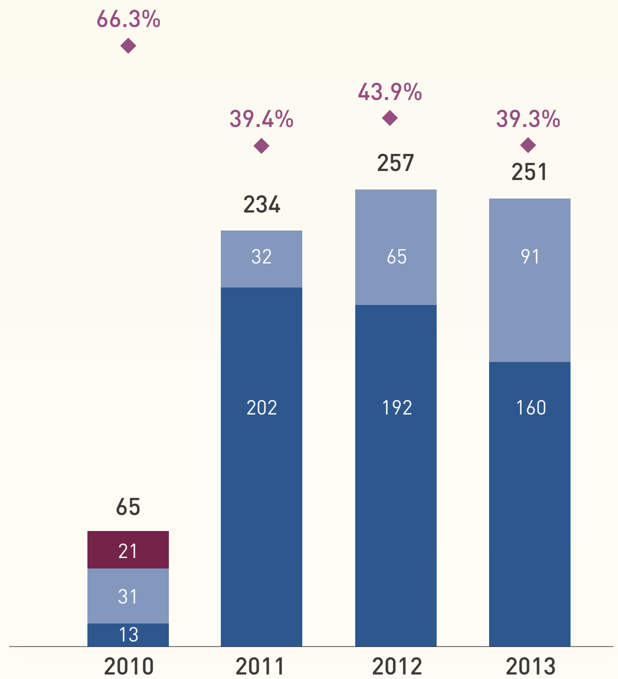
- In Ying Li 3.0, we will differentiate and compete by building products which have:
  - » Outstanding designs;
  - » Premium quality;
  - » Green features; and
  - » Rich user experience.

FINANCIAL REVIEW

Revenue (RMB million)

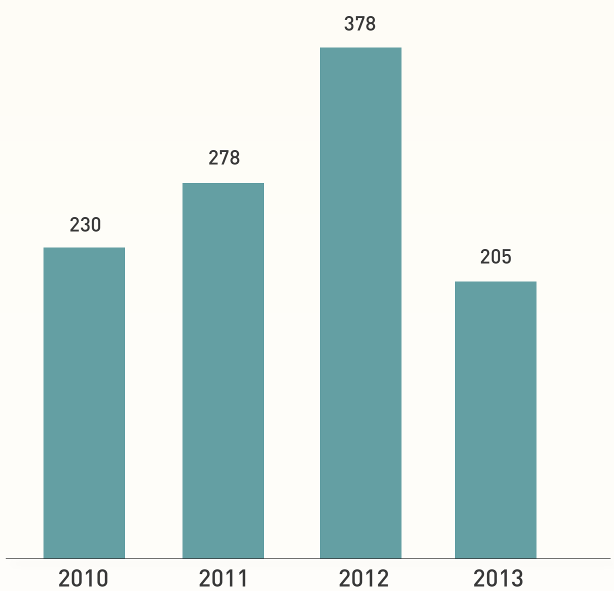


Gross Profit (RMB million) & Gross Profit Margin (%)

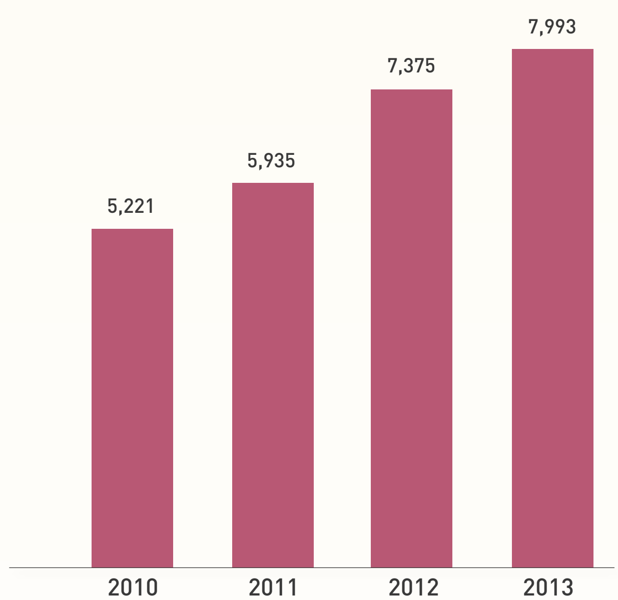


Sale of Properties   Rental Revenue   Consultancy Income

Net Profit after Tax (RMB million)



Total Assets (RMB million)



FINANCIAL REVIEW

FINANCIAL DETAILS

Revenue of the Group in FY 2013 increased by RMB 53.6million, or 9.2% over FY 2012, to RMB 638.8million. This was mainly due to the revenue recognition from the handover of completed residential units in Block 4 and 5 of the Ying Li International Plaza project. Rental income rose 35.8% or RMB 30.2million to RMB 114.1million due to higher occupancy at Ying Li International Financial Centre ("IFC").

Gross profit decreased by RMB 5.5million to RMB 251.3million as compared to the prior year despite an increase in revenue for FY 2013. This was due to different mix of properties being sold. In FY 2013, sale of properties comprised mainly residential units from the Ying Li International Plaza project which has a lower margin than that of Ying Li International Financial Centre's office units which made up majority of FY 2012 sales. Gross profit from rental income surged 41.6% to RMB 91.5million due to increase in contracted lease rate from Ying Li International Financial Centre's office units.

Selling expenses decreased 6.5% to RMB 38.0million due to lower sales commission paid out in FY 2013 as most of the sales of Ying Li International Plaza took place in FY 2012.

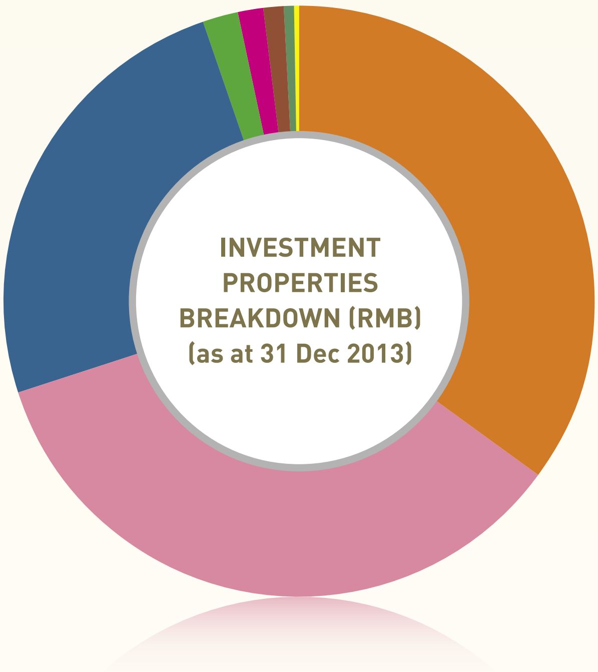
Administrative expenses decreased RMB 15.0million to RMB 65.5million due to foreign exchange losses of RMB 13.7million that arose from adverse movement in the USD-SGD rate for a USD denominated loan drawn down in FY 2013; loan facility fees paid to a financial institution amounting to RMB 17.0million for a loan drawdown; increase in accrual for staff bonuses by RMB 4.3million; and increase in legal and professional fees amounting to RMB 6.0million due to increased fund raising activities.

Fair value gains amounted to RMB 259.6million in FY 2013 as compared to RMB 378.3million in FY 2012. The bulk of the fair value gains arose from the revaluation of the Ying Li International Plaza, for which fair value gains had been progressively recognized during construction.

Other income in FY 2013 dropped 58.5% to RMB 7.1million largely due to lower government grants and subsidies as compared to FY 2012.

Tax expenses decreased RMB 51.1million or 37.0% to RMB 87.1million as compared with FY 2012 due to lower deferred taxation expenses arising from the lower fair value gain on investment properties in FY 2013. The effective income tax rate for FY 2013 was 29.8% as a result of non-deductible expenses such as provisions and expenses incurred by the corporate office and subsidiaries incorporated in tax free countries.

OPERATIONS REVIEW



Ying Li International Financial Centre	**35.2%**
Ying Li International Plaza	**34.8%**
Future International	**24.8%**
Southland Garden	**2.0%**
Minsheng Mansion	**1.5%**
Zou Rong Plaza	**1.0%**
Bashu Cambridge	**0.5%**
New York New York	**0.2%**

As a result of the above, the Group's profit attributable to ordinary shareholders of the company in FY 2013 declined 45.5% to RMB 205.7million as compared to RMB 377.2million in FY 2012.

The Group's total assets increased RMB 617.8million to RMB 7,992.9million as compared to FY 2012. The increase was mainly due to increase in development properties as progress is being made on both Ying Li International Plaza and Ying Li Financial Street projects. The increase was partially off-set by the transfer to cost of sales upon the handover of Ying Li International Plaza's residential units.

Total liabilities of the Group increased RMB 339.4million to RMB 4,541.1million in FY 2013. The increase in liabilities was mainly due to increase in trade payables in relation to construction costs incurred in the development of Ying Li International Plaza coupled with an increase in bank borrowings.

The Group's total equity increased RMB 218.4million to RMB 3,451.8million during the year. The net increase was due to translation gains, share-based compensation reserve and profit achieved in FY 2013.

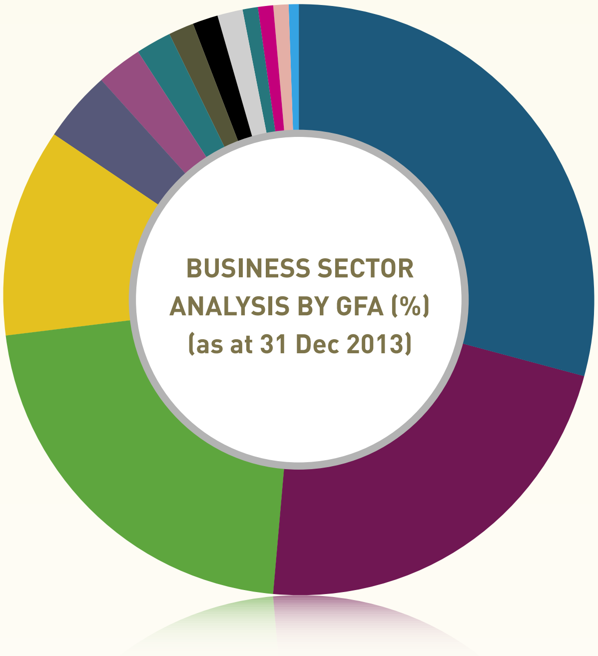
Sales and leasing activities at IFC, the highest specification landmark Grade A office building located in the heart of Yuzhong Jiefangbei CBD, continues to perform well. As at 31 December 2013, the Group has sold 92% and leased 73% of the office space allocated for sales and rental respectively. During the year, the Group has attracted major international

and domestic tenants such as Alibaba.com, ARUP, Hong Kong Financial Secretary Incorporated, Samsung, CapitaLand, Deloitte & Touche, DBS Bank, OCBC Bank and Taikang Insurance.

At Ying Li IFC retail mall, the mall management team has put in place a comprehensive plan to maximize the asset potential value. The mall is undergoing a revamp on its tenant mix by introducing renowned fashion retailers such as H&M (Chongqing flagship store), Evisu, G-Star; and a supermarket, New Century Supermarket（新世纪精品超市). The mall management team has included coffee chains like Illy coffee and Coffee Bene, as well as a Sisyphe Bookstore, a cosy setting bookstore with a café to improve footfall and shopper retention.

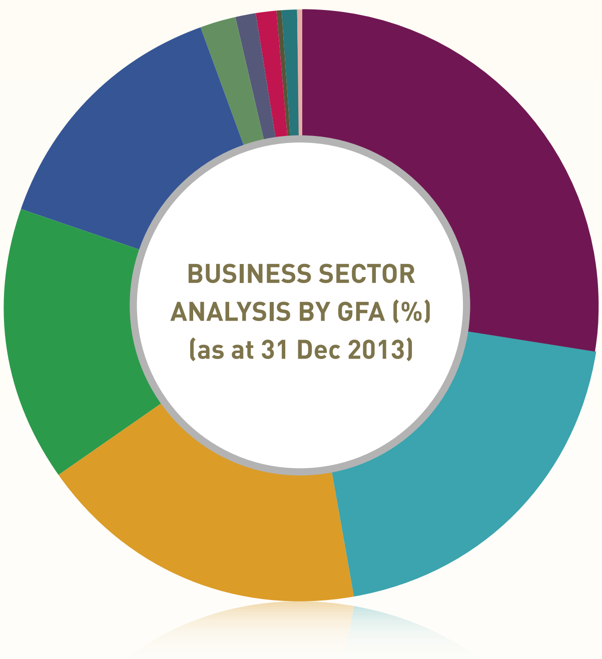
OPERATIONS REVIEW

Office Portfolio



Banking, Insurance & Financial Services	**29.2%**
Manufacturing	**22.3%**
Retail (exclude F&B and Services)	**21.5%**
Real Estate and Property Service	**11.5%**
Consultancy / Services	**3.9%**
Logistics & Shipping Services	**2.5%**
Others	**1.8%**
Food & Beverage (F&B)	**1.5%**
Advertising & Multimedia Services	**1.5%**
Accounting & Consultancy Services	**1.2%**
Legal	**1.0%**
Technology, Service & Consultancy	**0.8%**
Trading	**0.7%**
Government & Government-Linked Offices	**0.5%**

Retail Portfolio



Departmental Store	**28.0%**
Supermarket	**20.0%**
Food & Beverages	**18.2%**
Fashion & Accessories	**15.2%**
Leisure & Entertainment	**14.1%**
Beauty and Healthcare	**2.2%**
Shoes & Bag	**1.1%**
Education & Bookstore	**0.9%**
Electronics	**0.3%**
Sundry & Services	**0.2%**
Others	**0.9%**

Development at Ying Li International Plaza, the strategically located integrated project located in the most densely populated area of Yuzhong District Da Ping area, has progressed smoothly and expects to be fully completed by third quarter 2014. In May 2013, the Group launched the pre-sales of office units, and has sold 32% as at 31 December 2013. Since mid November 2013, the Group has successfully handed over 94% of the residential units in Tower 4 and 5. The short buyers' acceptance duration of 6 weeks reflects the high quality of the products that the Group deliver to its customers.

On 20 December 2013, Ying Li International Plaza retail mall opened its door to more than 100,000 shoppers. With a built-up space of 100,524 square

OPERATIONS REVIEW

meters, the 9 storey family and lifestyle themed mall offers a vibrant and diverse array of retail, food & beverage, lifestyle and entertainment outlets. The mall has secured numerous key tenants such as international and domestic fast fashion retailers, H&M, C&A and MJStyle; Lotte mart, Lotte's first supermarket in Chongqing; Kids Want, one-stop premier speciality retailer for children and expectant mothers; Samsung Experience Store, Chongqing's flagship store; Poly Tongmei Cinema and MLCQ party box. In addition, the mall also features a wide variety of food and beverage offering such as Dezhuang Hotpot, Xiao Dong Tian Restaurant, Fragrant Thai Restaurant, Starbucks coffee and Honeymoon-Dessert.

Construction work at San Ya Wan Phase 2 commenced in October 2013. Guided by the Singapore city planning concept, San Ya Wan's design aims to create a garden-like residential community. Focusing on the development of quality apartment and well-supported surrounding amenities, the project targets emerging middle class clientele who wishes to stay within Liangjiang New Area, China's third state level economic development zone, while pursuing a higher quality city living standard. The Group expects to begin pre-sales in 2014 with completion expected to be in stages from 2015 to 2016.

Resettlement and ongoing construction are progressing smoothly at Ying Li Financial Street project. Poised to become the crown jewel of Chongqing Jiefangbei CBD, the Group plans to maximise the potential value of this project by negotiating with the government on the final master plan. Completion of the project is expected to be in stages from 2017.

Human Resource

The Group recognizes that people are the greatest assets of the organization. To ensure healthy and sustainable development of the Group, Ying Li has put in place an effective human resource management system which emphasizes talent development and training, performance management and goal alignment. Under a framework which undergirds a performance-based reward culture, the focus is on raising the bar for employee's skills training and development, to ensure continuous improvement to support the company's growth.

Attracting talent is essential to support the organization's growth. The Group actively seeks to recruit the right talent at all levels through its established human resource network. Aimed at remaining attractive and equitable in the hiring and retention of talent, the Group consistently benchmarks its compensation to provide competitive remuneration package for all its employees. Performance appraisal will encompass target setting, competence development and performance review. Bonuses and rewards plans will be assessed based on both collective effort and individual performances marked against their respective key performance indicators ("KPIs").

As a people-centric organization, the Group is committed to establishing a conducive and healthy working environment for its employees to further develop their strengths and capabilities and foster best industry practices. The Group has provided a suite of comprehensive training programs, ample career advancement opportunities and attractive incentive schemes for its employees to enhance their individual skills set, and excel in their areas of expertise for business excellence.

The Group also understands the importance of work-life balance for its employees. Through a series of organized recreational, social and cultural activities, the Group helps to improve physical and mental well-being, as well as foster a cohesive spirit of teamwork, camaraderie and caring among its employees.

OPERATIONS REVIEW

Corporate Social Responsibilities

As a responsible corporate citizen, the Group adheres closely to its philosophy of contributing back to the society and environment. Employees are encouraged to be active, responsible and caring through participation in charitable donations to the less privileged in society, natural disaster assistance, educational assistance programs and environmental enhancement initiatives.

On 20 April 2013, when news broke out that a 7.0-magnitude earthquake has hit the Lushan county of Ya'an city in Sichuan province, the Group's employees rallied together and donated RMB 2,000,000 to the affected victims. The donations will fund the redevelopment of homes that were destroyed and the purchase of basic necessities. In appreciation and recognition of the Group's generous donation, the Chongqing Municipal Charity Federation presented a certificate of commendation for the effort and contribution.

The Group is also committed to balance social responsibility with commercial viability, to leave a mark for building sustainable developments and improving the environmental footprint. In our green development commitment, we integrate environmentally friendly features and designs into our projects, with buildings designed according to national green building standards. Working with strategic partners, the Group procures quality construction materials that meet energy-saving and low-carbon emission environmental standards for our green architectural buildings. To reduce pollutant emission during the construction phase, the Group also adopts construction technologies and processes that meet green environmental standards. In our growth strategy, we will continue to contribute towards building vibrant and sustainable communities with eco-friendly standards that bear our hallmark of quality and innovation.

AWARDS AND ACCOLADES

Chongqing's Top 50 Real Estate Enterprises (7 consecutive sessions)
"重庆市房地产开发企业五十强"
By Chongqing Municipality's Construction Commission
重庆市房地产开发协会

2012 – 2013 Chongqing Real Estate Development Industry Trustworthy Brand Award
"2012-2013年度重庆市房地产开发行业信用品牌企业"
By Chongqing Real Estate Development Association
重庆市房地产开发协会

2012 Trustworthy Unit
"2012年守合同重信用单位"
By Chongqing Municipal Administration for Industry and Commerce
重庆市工商行政管理局

2012 Advance Grassroots Trade Union Organization
"2012年度先进基层工会组织"
By Chongqing Yuzhong District Federation of Trade Union
重庆市渝中区工商联工会联合会

2012 – 2013 China Luban Prize (Ying Li International Financial Centre)
"2012-2013年度中国建筑工程鲁班奖(国家优质工程)"
By The Ministry of Housing and Urban-Rural Development of the People's Republic of China and China Construction Industry Association
中华人民共和国住房和城乡建设部、中国建筑业协会

2012 Chongqing Bayu Prize (Ying Li International Financial Centre)
"2012年度重庆市巴渝杯优质工程奖(英利金融中心)"
By Chongqing Urban-Rural Construction Committee and Chongqing Construction Industry Association
重庆市城乡建设委员会、重庆市建筑业协会

Honorary Certificate for the donation of RMB 2,000,000 to Ya'an earthquake victims
"荣誉证书：雅安地震捐款200万"
By Chongqing Municipal Charity Federation
重庆市慈善总会

PROJECTS AT A GLANCE

Minsheng Mansion
- First skyscraper in Yuzhong district
- Construction period: Jul 1995 to Dec 1997
- GFA: 63,342sqm

1997

2000

Zou Rong Plaza
- Chongqing's first financial industry focused project
- Construction period: Mar 1998 to Dec 2000
- GFA: 102,502sqm

Southland Garden
- Chongqing's first high-end residential project
- Construction period: Jun 2002 to Dec 2004
- GFA: 57,009sqm

2004

2005

New York New York
- Received one of China's highest architectural accolades
- Construction period: Dec 2002 to Mar 2005
- GFA: 41,337sqm

Future International
- First landmark skyscraper in Guanyinqiao CBD
- Construction period: Nov 2004 to Dec 2006
- GFA: 136,370sqm

2006

2007

Bashu Cambridge
- One of first enterprise educational institution partnerships
- Construction period: Dec 2005 to Feb 2007
- GFA: 43,086sqm

2008

2009

San Yan Wan Phase 1 and 1A
- Largest integrated seafood wholesale center in western PRC
- Construction period: Feb 2006 to Apr 2009
- GFA: 72,000sqm

2010

2011

Ying Li International Financial Centre
- Highest skyscraper and landmark property in Chongqing and Southwest China upon completion
- Construction period: Nov 2009 to Dec 2011
- GFA: 177,327sqm

2012

2013

2014

Ying Li International Plaza
- Landmark integrated project in the heart of Yuzhong's bustling Da Ping area
- Construction period: Nov 2010 to 2014
- GFA: 409,141sqm

San Ya Wan Phase 2
- Development of quality apartments
- Construction period: Oct 2013 to 2015/16
- GFA: approx 307,000sqm

Ying Li Financial Street Project
- Development of integrated Grade A office and retail mall
- Construction period: Jul 2013 to 2017/19 in 2 phases
- GFA: approx 297,000sqm

Pipeline projects

Completed projects

INVESTMENT PROPERTIES PORTFOLIO
(as at 31 December 2013)

Minsheng Mansion

Address
No. 181 Minsheng Road, Yuzhong Yuzhong District, Chongqing

Usage
Office, Retail and Car Park

Gross Floor Area (sqm)
10,191

Gross Rented Area (sqm)
9,327

Land Use Right Expiry
Commercial - Sep 2033
Residential - Sep 2043

Market Valuation (RMB)
59,079,000

Completion Date
Dec 1997

Zou Rong Plaza

Address
Nos. 141 to 155 Zourong Road, Yuzhong District, Chongqing

Usage
Retail, Office and Car Park

Gross Floor Area (sqm)
6,852

Gross Rented Area (sqm)
6,683

Land Use Right Expiry
Commercial - Jan 2046

Market Valuation (RMB)
36,863,000

Completion Date
Dec 2000

Southland Garden

Address
Nos. 46 to 52 Cangbai Road, Yuzhong District, Chongqing

Usage
Office, Retail and Car Park

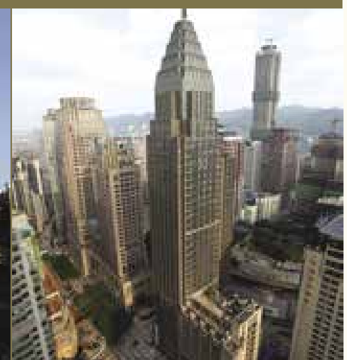
Gross Floor Area (sqm)
13,243

Gross Rented Area (sqm)
11,380

Land Use Right Expiry
Commercial - Nov 2042
Residential - Nov 2052

Market Valuation (RMB)
76,685,000

Completion Date
Dec 2004



New York New York

Address
No. 108 Bayi Road, Yuzhong District, Chongqing

Usage
Car Park

Gross Floor Area (sqm)
277

Gross Rented Area (sqm)
277

Land Use Right Expiry
Commercial - Jan 2042

Market Valuation (RMB)
7,617,000

Completion Date
Mar 2005

Future International

Address
No. 6 Guanyinqiao Pedestrian Street, Jiangbei District, Chongqing

Usage
Retail and Car Park

Gross Floor Area (sqm)
82,227

Gross Rented Area (sqm)
81,930

Land Use Right Expiry
Commercial - Mar 2045

Market Valuation (RMB)
951,394,000

Completion Date
Dec 2006

Bashu Cambridge

Address
No. 8 Bashu Road, Yuzhong District, Chongqing

Usage
Retail and Car Park

Gross Floor Area (sqm)
7,070

Gross Rented Area (sqm)
6,938

Land Use Right Expiry
Commercial - Sep 2044
Residential - Sept 2054

Market Valuation (RMB)
19,641,000

Completion Date
Feb 2007

Ying Li IFC

Address
No. 28 Minquan Road, Yuzhong District, Chongqing

Usage
Office, Retail and Car Park

Gross Floor Area (sqm)
68,202

Gross Rented Area (sqm)
41,671

Land Use Right Expiry
Commercial - Dec 2044

Market Valuation (RMB)
1,351,300,000

Completion Date
Dec 2011

Ying Li International Plaza

Address
No. 19 Zheng Jie Road, Yuzhong District, Chongqing

Usage
Retail and Car park

Gross Floor Area (sqm)
98,794

Gross Rented Area (sqm)
51,418

Land Use Right Expiry
Commercial - Jul 2050
Residential - Jul 2060

Market Valuation (RMB)
1,333,720,000

Completion Date
Dec 2013

BOARD OF DIRECTORS

1. MR. FANG MING | 2. MS. YANG XIAO YU | 3. MR. CHRISTOPHER CHONG MENG TAK | 4. MR. TAN SEK KHEE | 5. MR. XIAO ZU XIU | 6. MR. HE ZHAO JU @ DANNY HO | 7. MR. HO SHENG | 8. MR. TAN KIM SENG

BOARD OF DIRECTORS

1 MR. FANG MING
Executive Chairman and Group Chief Executive Officer

Mr. Fang Ming is the Executive Chairman and Group Chief Executive Officer. He is also the President of Chongqing Yingli Real Estate Development Co., Ltd. Mr. Fang is responsible for the overall management since its inception in 1993. With more than 20 years of experience in the property sector, Mr. Fang has been instrumental in introducing international designs and quality standards into the real estate sector in Chongqing, gaining recognition from both city and state governments. Under his leadership, the Group has developed a number of award winning buildings in Chongqing's core CBD areas and established good long-term relationships with the local government authorities and business partners.

Prior to establishing Chongqing Yingli, Mr. Fang held senior position in Chongqing Yunji Company. Mr. Fang is also a member of the Chongqing Committee of CPPCC, Vice President of Chongqing General Chamber of Commerce, President of the Real Estate Chamber of the Chongqing Federation of Industry and Commerce and the Vice President of the Yuzhong District Federation of Industry and Commerce.

Mr. Fang graduated from Chongqing Broadcasting University School of Management and has a MBA from the Chongqing Technology and Business University.

2 MS. YANG XIAO YU
Executive Director

Ms. Yang Xiao Yu is an Executive Director of the Group and the Deputy General Manager of Human Resources and Administration Department. She oversees administrative affairs and human resource matters of the Group. Prior to joining the Group, Ms. Yang held various positions, including Deputy Editor of Chongqing Municipal Committee Magazine (Dang Dai Dang Yuan), Standing Director of Chongqing Publication Institution, President of Chongqing Dang Hong Cultural Communication Company and the Director of the Chongqing Municipal Government Office for Economic Cooperation.

Ms. Yang has obtained the title of Senior Economist certification from Chongqing Municipal Personnel Bureau, a college degree in Chinese and Economic Management, Bachelor degree in Law and postgraduate in Psychology from Southwest Normal University in 1998.

3 MR. CHRISTOPHER CHONG MENG TAK
Lead Independent Director

Mr. Christopher Chong Meng Tak was first appointed to the Board in 2007 and is the Lead Independent Director. He brings to the Group significant experience in corporate strategy, capital markets, securities law and corporate governance. Mr. Chong is a founding partner of ACH Investments Pte Ltd, a corporate advisory firm. Prior to this, and for some 12 years, he was with the HongkongBank Group where he held the positions of CEO of HSBC Securities (Singapore), Executive Director of Kay Hian James Capel (now known as UOB Kay Hian) and was a multi award-winning analyst. Prior to joining the HongkongBank Group, Mr. Chong trained with Ernst & Young, London. Mr Chong is a director of four other public companies, listed on the Stock Exchanges of Australia and Singapore.

Mr. Chong is a Member of the Institute of Chartered Accountants of Scotland and a Fellow of: the Hong Kong Institute of Certified Public Accountants; the Australian Institute of CPAs; the Singapore Institute of Directors; and the Australian Institute of Company Directors. He is also a Senior Stockbroker of the Securities & Derivates Industry Association. He has a BSc. Econ (1st Hon) from the University College of Wales and a MBA from the London Business School.

4 MR. TAN SEK KHEE
Independent Director

Mr. Tan Sek Khee was appointed as an Independent Director of the Group in April 2013. Mr. Tan is currently an Independent Director of both SGX listed Europtronic Group and ASL Marine Holdings Limited. Mr. Tan is also currently an Executive Director of several private companies in Singapore, Indonesia, Thailand and China. Mr. Tan brings to the Group extensive experience in general management, business development, marketing, procurement and logistics. He has more than 30 years of corporate and business experience in Singapore, Indonesia, Thailand and China.

Mr. Tan graduated with a Bachelor Degree of Commerce from Nanyang University in 1979. He is also a registered member of Singapore Institute of Directors.

BOARD OF DIRECTORS

5 MR. XIAO ZU XIU
Independent Director

Mr. Xiao Zu Xiu is an Independent Director of the Group. Mr. Xiao has been the Chairman of the Chinese Nation Cultural Promotion Association since 1995. He was also Chairman of the Chongqing Veteran's Sports Association from 1997 to 2003 and the Chairman of the Association of Researching the System of the People's Congress from 2003 to 2009. He has been serving successively as the Vice Chairman and the Chairman of the Committee for Care of the Next Generation since 2004. Mr. Xiao has also been the Director-General of Chongqing Education Development Foundation since 2010. Mr. Xiao was elected as a representative to the Chongqing Municipal People's Congress and chosen as the Vice Chairman of the Chongqing Municipal People's Congress Standing Committee in 1997. Prior to that, he was elected as Executive Deputy Mayor of Chongqing in 1993, mainly overseeing the financial, taxation, auditing, educational and monitoring aspects. Mr. Xiao was with the Agricultural Economy Department of Southwest Agricultural University for 23 years before he was appointed as Director of the Committee for Peasants and Workers in 1985, a post he held till 1988.

Mr. Xiao studied Agricultural Economics in the Southwest College of Agriculture and the Beijing Agricultural University and graduated in 1960 and 1963 respectively.

6 MR. HE ZHAO JU @ DANNY HO
Non-Executive Director

Mr. He Zhao Ju @ Danny Ho is a Non-Executive Director of the Group. Mr. He is a senior partner of Zana Capital. Prior to joining Zana Capital, he was the Vice-President of GIC Special Investments from 2000 to 2006, and was working in corporate finance and advisory roles for four years before that. Mr. He started his career as an Investment Analyst at Brierley Investments. Mr. He is a Chartered Financial Analyst and a member of the Association for Investment Management and Research. He graduated from Otago University, New Zealand with a Bachelor of Commerce (double majors in Finance and Economics) in 1994.

7 MR. HO SHENG
Non-Executive Director

Mr. Ho Sheng has more than 25 years' experience in the financial services industry. He was Senior Vice President, Investments at Citigroup Global Markets. Prior to joining Citigroup, Mr. Ho was a shareholder, Executive Director and Board Member of the stockbroking unit of UBS Warburg. Mr. Ho has extensive experience in market cycles and exposure to regional equity markets. He is currently Lead Independent Director of SGX listed Cordlife Group Limited and Chairman, Asia-Pac Advisory Board of Mumbai Stock Exchange listed HCL Technologies, a global IT company with 2012 revenues of more than USD 6 billion and 93,000 employees worldwide.

Mr. Ho holds a Master of Applied Finance degree from Macquarie University, Sydney. He is a Senior Associate of the Financial Services Institute of Australasia and an Associate of the Institute of Chartered Secretaries and Administrators (UK).

8 MR. TAN KIM SENG
Non-Executive Director

Mr. Tan Kim Seng has been appointed as Non-Executive Director of the Group since April 2013. Mr. Tan is currently the Chairman and Managing Director of Kim Seng Holdings Pte. Ltd. He has more than 30 years of experience in corporate strategies and business management. He was the founder and former Chairman of KS Energy Ltd from 1974 till mid-2006. He has been instrumental in spearheading the growth of KS Energy Group from the industrial hardware business into an integrated business group specializing in rig refurbishment, oil and gas equipment, hydraulic equipment, related spares and instrumentation.

Mr. Tan is currently the Patron of Hong Kah North Citizen's Consultative Committee as well as a Council Member of the Singapore Chinese Chamber of Commerce & Industry (the "SCCCI"). He is also currently the Chairman of the International Affairs Committee in the SCCCI and a member of Nanyang Technological University Board of Trustees. He graduated from the Nanyang University with a Bachelor of Science (Mathematics) in 1974.

KEY MANAGEMENT

MR. TAN KIANG HWEE
Group Chief Operating Officer

Mr. Tan Kiang Hwee joined Ying Li as its Group Chief Operating Officer on 1 July 2013. Mr. Tan has more than 25 years of leadership, real estate and international experience spanning both the public and private sectors. Before joining Ying Li, he was Group CEO of Surbana Corporation and prior to that, COO of Surbana Corporation and concurrently CEO of Surbana Land Pte Ltd. Surbana, which had 2,200 staff globally, was owned by Temasek Holdings and CapitaLand Ltd. Surbana is a premium international building consultant with deep expertise across the whole real estate value chain as well as a developer of large scale residential township projects in China. As the founding CEO for its property development business, Mr. Tan pioneered the setting up of the township development arm in Surbana and transformed the company into a leading foreign township developer in China.

Mr. Tan started his career with Housing Development Board (HDB) in 1988 and held various appointments before he joined Surbana in 2003. From 1995 to 1996, he was seconded to the Ministry of National Development and was involved in the formulation of public housing policies. Mr. Tan holds a Bachelor of Science (Building) Honours Degree from the National University of Singapore and attended the University of California, Berkeley-Nanyang Technological University Senior Management Programme.

MR. JOHNNIE TNG CHIN HWEE
Group Chief Financial Officer

Mr. Johnnie Tng Chin Hwee joined Ying Li as its Group Chief Financial Officer on 1 November 2013. He has more than 22 years of wide-ranging financial experience where he has held various senior finance roles. Mr. Tng's early career was with the Monetary Authority of Singapore, SBC Warburg and Nomura. Thereafter, he held CFO positions in SilkRoute Holdings and Freight Link Express Holdings. He then joined RGM International, a resource-based Indonesian conglomerate, as Vice President of Corporate Finance, where, among others, he oversaw several global mergers and acquisitions and fund-raising for the construction of a plant in China. In 2006, he joined Ascendas where he was concurrently the CFO of Ascendas India, Ascendas India Trust and Ascendas India Funds. He played an instrumental role in the successful listing of Ascendas India Trust on the SGX-ST and all the fund raising exercises of the trust. In February 2013, he joined Keppel REIT as its CFO. Mr. Tng holds a Bachelor of Accountancy degree (Honours) from the Nanyang Technological University of Singapore.

MR. CAI MINGYI
Group Financial Controller

Mr. Cai Mingyi is the Group Financial Controller of Ying Li International Real Estate Ltd. He oversees the Group's financial functions in relation to accounting, internal controls, financial and management reporting, tax, treasury, financial analysis, M&A support and risk management. In addition, he is also responsible for liaising with external parties in respect of the Group's financial matters. Prior to joining the Group, Mr. Cai was a manager with the Advisory practice of an international Big Four accounting firm. Mr. Cai holds a Bachelor of Accountancy Degree and a Bachelor of Business Management Degree from the Singapore Management University. He is a member of the Institute of Singapore Chartered Accountants.

MR. YANG FANG HENG
General Manager

Mr. Yang Fang Heng joined the Company since its inception, serving as the Standing Deputy General Manager. He has more than 20 years of experience in real estate project development and management. Mr. Yang oversees the management of several key departments such as the Budgeting, Operations, Purchasing and Auditing & Legal Departments. Prior to joining the Company, Mr. Yang held senior positions in the Nan'an Department Store.

MS. DAI LING
Chief Financial Officer of Chongqing Yingli Real Estate Development Co., Ltd

Ms. Dai Ling is the Chief Financial Officer of Chongqing Yingli and a qualified Accountant. Ms. Dai has over 30 years of experience in finance and accounting with 20 years experiences in real estate financial management. Ms. Dai joined the Company since its inception and oversees the Company's finance department. She is in charge of the development, supervision and maintenance of the accounting system and policies as well as the financial management and corporate tax planning. Prior to joining the Company, she served as the Chief Accountant in Nan'an Department Store and Nan'an District Federation of Industry and Commerce. Ms. Dai graduated with an accounting certification from Chongqing Business College.

MR. HOU BAO JUN
Deputy General Manager, Project Development

Mr. Hou Bao Jun is the Deputy General Manager and approved Senior Engineer. Mr. Hou joined the Company in 2011 and oversees the Project Development and Management Department. He is responsible for land acquisitions, initial project development management and liaising with the government and relevant authorities. Prior to joining the Company, he held senior positions in the Chongqing Fire Safety Department. Mr. Hou has a Bachelor degree in Fire Control Automation from the Chinese People's Armed Police Force Institute of Technology and postgraduate degree from Chongqing Municipal Administration School of Law.

MR. LI JING HUAN
Deputy General Manager, Business Development

Mr. Li Jing Huan is our Deputy General Manager and a Qualified Senior Engineer. He is in charge of the Company's Business Development department. Mr. Li has extensive experience in real estate project's research and development. He is also well-versed with various government policies and has established good relationships with the local government authorities. Prior to joining the Company, he was a lecturer at Staff University of Ministry of Weapons Industry, Manager of Beibei Three Gorges Store, the Head and Representative of many foreign companies in Shenzhen as well as the Deputy General Manager of Chongqing Sinosteel Investment Group. Mr. Li holds a Bachelor Degree in Engineering from Chongqing Architectural Engineering College.

MR. WANG ZE MIN
Deputy General Manager, Senior Engineer

Mr. Wang Ze Min is the Deputy General Manager and a qualified Senior Engineer with more than 20 years of experience in the construction industry. He joined the Group in 1997 and is in charge of the engineering, construction, quality control and safety aspects of the Group's properties. Prior to joining the Group, Mr. Wang was the Group C project manager of Chongqing South Group Corporation Ltd, the Director of the Construction Department of Shanghai San Jiu Property Co., Ltd. and the manager of Chongqing Kuixinglou Stock Co., Ltd. Mr. Wang holds a Bachelor degree in Mining from the Central South University.

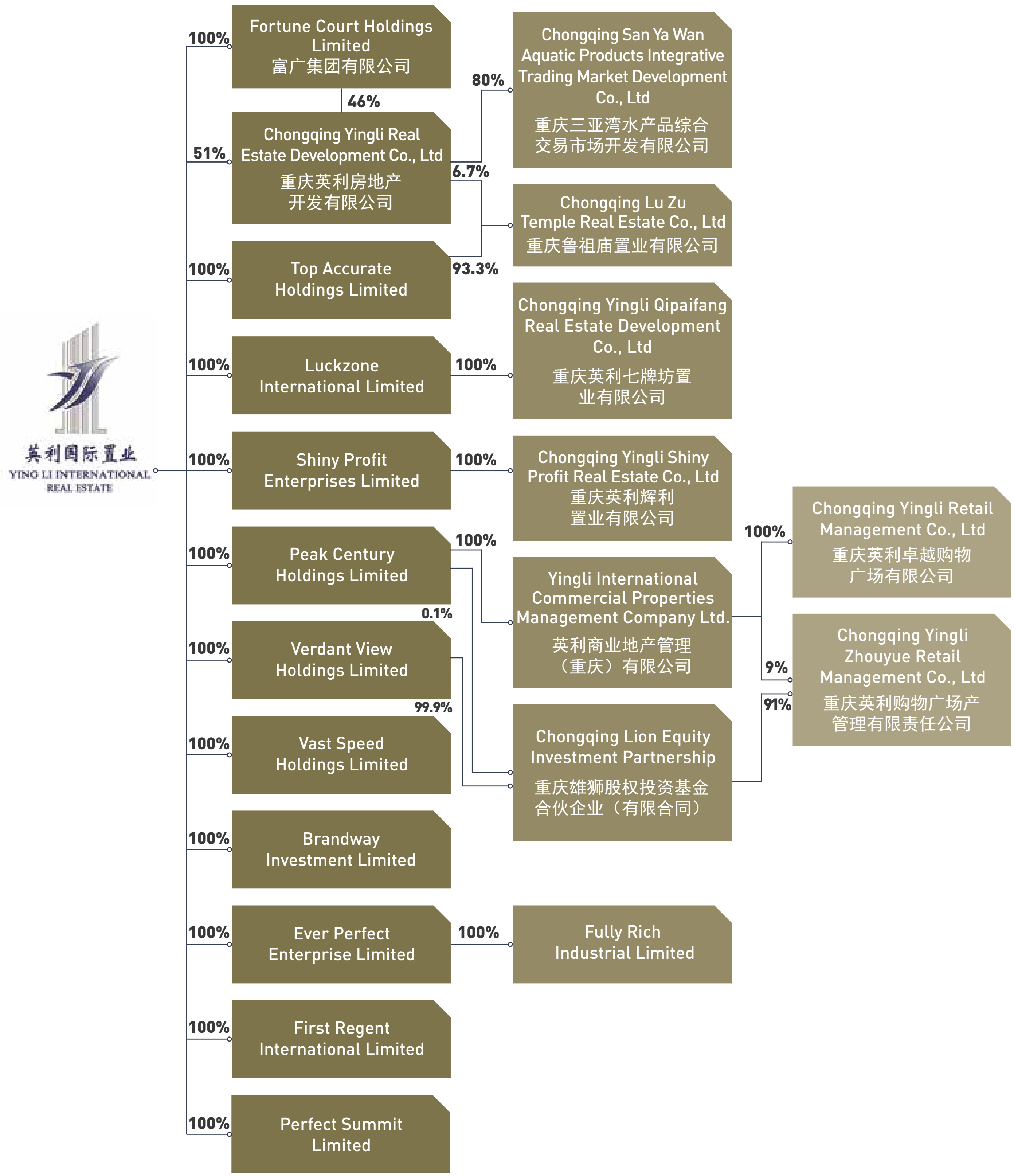
MR. WU SHAO MING
Deputy General Manager, Research and Design

Mr. Wu Shao Ming is the Deputy General Manager and the Head of Research and Design Department. As a qualified Senior Engineer, he brings to the Group more than 20 years of experience in architecture design. Prior to joining the Group, he held senior positions at Chongqing Hengwei Real Estate, Chongqing Jiali Real Estate and was an architect at the Chongqing Iron and Steel Designing Institute and the Deputy General Architect in Hainan Bonded Zone Development Co., Ltd. Mr. Wu holds a Bachelor degree from the Xian Highway College (now known as Chang'an University).

MR. ZHANG GUANG WEI
Deputy General Manager, Sales and Marketing

Mr. Zhang Guang Wei is the Deputy General Manager and is in charge of the marketing and sales operations for the Company. He holds a Real Estate Broker license with more than 16 years of real estate marketing experience, particularly in product positioning, sales strategy formulation and execution. He oversees the marketing management as well as the sales, leasing and promotions for the Group's projects. Prior to joining the Company, he was the Assistant Sales Manager in Chongqing Jinshan Real Estate Development Co., Ltd and Marketing Director in Dun'an Real Estate Development Co., Ltd. Mr. Zhang graduated with a Bachelor degree in Real Estate Management from Chongqing Broadcasting University and is currently pursuing an EMBA from Zhejiang University.

CORPORATE STRUCTURE



FINANCIAL CONTENTS

CORPORATE GOVERNANCE

The Board of Directors (the "Board") is committed to ensuring that the highest standards of corporate governance are practiced throughout Ying Li International Real Estate Limited (the "Company") and its subsidiaries (the "Group"), as a fundamental part of its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

The Corporate Governance Council conducted a comprehensive review of the Code and submitted its recommendations to the Monetary Authority of Singapore ("MAS") in November 2011. The MAS issued a revised Code of Corporate Governance on 2 May 2012, (the "2012 Code") which replaces the Code of Corporate Governance issued in July 2005 (the "2005 Code"). The 2012 Code has taken effect in respect of annual reports relating to financial years commencing from 1 November 2012. The 2012 Code is not mandatory, but listed companies are required under the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual to disclose their corporate governance practices and give explanations for deviations from the 2012 Code in their annual reports.

This report describes the Group's corporate governance practices and structures that were put in place during the financial year ended 31 December 2013, with specific reference to the principles and guidelines of the 2012 Code, and where applicable, the SGX-ST Listing Manual, the Singapore Companies Act and the Audit Committee Guidance Committee ("ACGC") Guidebook which was issued on 30 October 2008, focusing on areas such as internal controls, risk management, financial reporting, internal and external audits.

The 2012 Code

The 2012 Code is divided into four main sections, namely:

(A) Board Matters

(B) Remuneration Matters

(C) Accountability and Audit

(D) Communication with Shareholders

BOARD MATTERS

The Board of Directors as at the date of this Annual Report comprises the following:

Mr. Fang Ming (Executive Chairman and interim Group Chief Executive Officer) [1]
Ms. Yang Xiao Yu (Executive Director)
Mr. Christopher Chong Meng Tak (Lead Independent Director)
Mr. Tan Sek Khee (Independent Director)
Mr. Xiao Zu Xiu (Independent Director)
Mr. Ho Sheng (Non-Executive Director)
Mr. He Zhao Ju @ Danny Ho (Non-Executive Director)
Mr. Tan Kim Seng (Non-Executive Director)

Note:

(1) Mr. Fang Ming was the Executive Chairman and Group Chief Executive Officer ("Group CEO") for the financial year ended 31 December 2012. Mr. Fang Ming then resigned from his position as Group CEO with effect from 1 March 2013. Pursuant to Mr. Fang Ming's resignation as Group CEO, Mr. Ko Kheng Hwa was appointed as Executive Director and Group CEO on 1 March 2013. Subsequently, Mr. Ko Kheng Hwa's resigned from his position as Executive Director and Group CEO with effect from 15 March 2014. In the interim, Mr. Fang Ming, the Company's Executive Chairman, will assume the role of Group CEO concurrently until a suitable candidate has been appointed.

CORPORATE GOVERNANCE

Principle 1: Board's Conduct of Its Affairs

The Board is responsible for setting the Group's strategic direction, executing these strategies and strengthening the robustness of the Group.

The principal duties and responsibilities of the Board include:

- Approving the Company's overall long-term strategies and financial objectives;
- Monitoring the implementation of such strategies and the business performance and results of the Group;
- Approving the appointment of Directors and other key management personnel;
- Establishing and maintaining a framework of good corporate governance within the Group, including risk management systems and internal controls to safeguard shareholders' interests and the Group's assets; and
- Approving material acquisitions and disposals of assets, mergers and acquisitions, major corporate policies in key areas of operations, annual budgets, major funding and investment proposals, issuance of shares, dividends and proposals relating to shareholder returns, the Group's quarterly, half yearly and full year results and material interested person transactions.

The Company has put in place a set of guidelines and clear directions to the management on matters reserved for the Board's decision and approval, and such matters are set out as follows:

- Matters involving conflict of interest with a substantial shareholder or Director;
- Annual capital expenditure budget or any unbudgeted capital expenditure exceeding 10% of the budgeted capital expenditure;
- Corporate governance policies;
- All new projects or additional investments;
- Disposal of assets or investments with net book value or fair value exceeding S$5 million;
- Pledging of assets or investments for financing purposes;
- Write-off of bad debts of more than S$5 million; and
- Provision of corporate guarantees or letters of comfort.

The Board objectively makes decisions in the interests of the Group and has delegated specific responsibilities to three Board Committees, namely, the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"). Information on each of the three Board Committees is set out below. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility for all matters lies with the Board. The effectiveness of each Board Committee is also constantly monitored by the Board.

CORPORATE GOVERNANCE

During the financial year under review, the Board conducted regular and scheduled meetings. Ad-hoc meetings were convened where circumstances required as such. The Company's Articles of Association allows Board meetings to be conducted by way of telephone conference or other similar means of communication whereby all persons participating in the meeting are able to communicate as a group, without requiring the Directors' physical presence at the meeting. The Board and Board Committees may also make decisions through circulating resolutions.

The number of meetings of the Board and Board Committees held in the financial year ended 31 December 2013, as well as the attendance of every Board member at these meetings are disclosed in the following table:

	BOARD OF DIRECTORS			AUDIT COMMITTEE			REMUNERATION COMMITTEE			NOMINATING COMMITTEE		
	Position	No. of meetings		Position	No. of meetings		Position	No. of meetings		Position	No. of meetings	
		held	attended		held	attended		held	attended		held	attended
Fang Ming	C	6	6	–	–	–	–	–	–	–	–	–
Ko Kheng Hwa	M	6	5 [1]	–	–	–	–	–	–	–	–	–
Yang Xiao Yu	M	6	6	–	–	–	–	–	–	–	–	–
Christopher Chong Meng Tak	M	6	6	C	6	6	–	–	–	C	2	2
Tan Sek Khee	M	6	5 [2]	M	6	5 [2]	C	3	2 [2]	–	–	–
Xiao Zu Xiu	M	6	5	–	–	–	M	3	3	M	2	2
He Zhao Ju @ Danny Ho	M	6	6	M	6	6	–	–	–	–	–	–
Ho Sheng	M	6	5 [2]	–	–	–	–	–	–	M	2	1 [2]
Tan Kim Seng	M	6	5 [2]	–	–	–	M	3	2 [2]	–	–	–

Note:

(1) Mr. Ko Kheng Hwa's attendance has been recorded for Board meetings held on dates between 1 March 2013 to 15 March 2014, being the date of his appointment and last day in office respectively.

(2) Mr. Tan Sek Khee, Mr. Ho Sheng and Mr. Tan Kim Seng' s attendance has been recorded for Board meetings held on dates after 29 April 2013, being the date of their appointment.

CORPORATE GOVERNANCE

A formal letter is provided to each Director upon his appointment, setting out his or her duties and obligations. The Director will then undergo an orientation program and familiarize himself or herself with the business activities of the Group, its strategic direction and corporate governance practices. Directors will also be invited to meet the management in order to have a better understanding of the business and operations of the Company.

In order to keep themselves abreast of new laws, regulations, changing commercial risks and accounting standards, all existing and new Directors will be informed of and encouraged to attend relevant courses, conferences and seminars conducted by the Singapore Institute of Directors, the SGX-ST, business and financial consultants, and external professionals on a regular basis at the Group's expense. All Directors are encouraged to undergo at least three hours of training every year. During the year under review, the Directors attended seminars on updates relating to best practice guidance on the role of Directors, industry-related trends and developments, and legal and regulatory requirements, and all Directors achieved more than three training hours each during the year.

Principle 2: Board Composition and Guidance

The Board currently comprises eight members of which two are executive Directors, three are non-executive Directors and three are independent Directors.

In determining the independence of each Director, the Board, taking into account the views of the NC, evaluates whether a Director is independent in character and judgment, and whether there are relationships or circumstances which are likely to affect, or could appear to affect, a Director's judgment. All Directors are required to disclose to the Board any such relationships or appointments, as and when they arise, which would affect their independence, as defined in the 2012 Code. Each independent Director is required to complete a Director's Independence Checklist annually to confirm his independence based on the guidelines set out in the 2012 Code.

None of the Directors have served on the Board for a period exceeding nine years from the date of his first appointment. As and when a Director serves for a period exceeding nine years, the Board will perform a particularly rigorous review to assess his or her independence, and will also take into account the need for progressive refreshing of the Board.

The Board reviews the size of the Board on an annual basis, and is of the view that the current size of the Board is appropriate for the current scope and nature of the Group's operations. As independent and non-executive Directors make up two thirds of the Board, no individual or small group of individuals dominates the Board's decision-making process.

The Board is satisfied that it has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. Each Director has been appointed based on his or her strength, experience and stature. They are expected to bring a valuable range of experience and expertise, and contribute to the development of the Group's strategy and business performance.

Key information regarding the Directors is given in the "Directors' Profile" section of this annual report.

Mr. Christopher Chong Meng Tak leads and co-ordinates the activities of the non-executive Directors of the Group and aids the independent and non-executive Directors to: (i) constructively challenge the management; (ii) assist the management in developing goals and objectives; and (iii) monitor the management's performance. The independent and non-executive Directors meet regularly on their own without the presence of the management.

CORPORATE GOVERNANCE

Principle 3: Executive Chairman and Chief Executive Officer

The principal duties and responsibilities of the Executive Chairman include:

- Scheduling meetings for the Board to discharge its duties;
- Coordinating activities of the independent Directors and non-executive Directors;
- Exercising control over quality, quantity and timeliness of the flow of information between the management and the Board; and
- Assisting in ensuring compliance with the Company's guidelines on corporate governance.

The Group CEO is responsible for the overall daily operations, management, sales and marketing functions of the Group.

Prior to Mr. Fang Ming's resignation as Group CEO with effect from 1 March 2013, although the roles and responsibilities of both the Executive Chairman and Group CEO were vested in Mr. Fang Ming, the Board is of the opinion that there was a sufficiently strong independent element in the Board, and that all resolutions of the Board were passed collectively after due consideration and that no single individual exercised any concentration of power or influence. Similarly, the Board will ensure that a strong independent element will continue to remain in the interim period while Mr. Fang Ming serves concurrently as Executive Chairman and Group CEO pursuant to Mr. Ko Kheng Hwa's resignation.

In accordance with the 2012 Code, the Group appointed Mr. Christopher Chong Meng Tak as lead independent Director. Led by the lead independent Director, the independent Directors will meet periodically without the presence of the other Directors and the lead independent Director will provide feedback to the Executive Chairman after such meetings.

Shareholders with concerns are invited to contact the lead independent Director, Mr. Christopher Chong Meng Tak, directly when contact through normal channels via the Executive Chairman, CEO, CFO, Financial Controller or Investor Relations has failed to provide a satisfactory resolution, or when such contact is inappropriate.

Principle 4: Board Membership

The NC comprises three Directors, two of whom are independent Directors. The NC is chaired by Mr. Christopher Chong Meng Tak, the lead independent Director, and has Mr. Xiao Zu Xiu and Mr. Ho Sheng as its members. The NC Chairman is not associated in any way with the 10% shareholders of the Company.

The principal duties and responsibilities of the NC include:

- Assisting the Board in maximizing shareholders value;
- Assessing the effectiveness of the Board, and the contribution and performance of the Directors;
- Identifying new candidates and reviewing all nominations for the appointment or re-appointment of Directors; and

CORPORATE GOVERNANCE

- Determining annually, and as and when circumstances require, whether or not a Director is independent pursuant to the guidelines set out in the 2012 Code, and by such amendments made thereto from time to time.

When appointing new Directors, the NC will, in consultation with the Board, evaluate and determine the selection criteria with due consideration to the mix of skills, knowledge and experience of the existing Board. The NC will evaluate potential candidates by undertaking background checks, assessing individual competency, knowledge, management skills, financial literacy, experience and qualifications, thereby ensuring the fulfillment of every requirement. The NC will seek candidates from a wide pool of individuals not limited to persons known to the Directors directly, and is empowered to engage professional search firms to aid in this process. Short-listed candidates will be invited to meet the independent Directors separately and may also be invited to meet the Board as a whole to discuss the duties of a Director. This is to ensure that there are no misunderstandings or a mismatch of expectations. The new Directors will be briefed by the management, the AC Chairman and the NC Chairman, and are also provided with opportunities to speak to the external auditors, the internal auditors and the Company's legal advisers. The new Directors are also flown to Chongqing for meetings with the staff, to inspect the Company's projects and to meet with the Company's property consultants.

Every year, the NC reviews and affirms the independence of the Company's independent non-executive Directors. Each Director is required to complete a Director's Independence Checklist annually to confirm their independence. This checklist is based on guidelines provided in the 2012 Code and requires each Director to assess whether they consider themselves independent despite being involved in any relationships which may interfere or be reasonably perceived to interfere with their exercise of independent judgment in carrying out their duties as an independent non-executive Director of the Company. Among the items included in the checklist are as follows:

- Employment or compensation received from the Company or any of its related corporations;
- Relationships with executive Directors of the Company or its related corporations
- Immediate family members who are employed by the Company or any of its related corporations as senior executive officers whose remuneration is determined by the RC; and
- Shareholdings, partnerships or directorships (including those held by immediate family members) in an organization to which the Company or its subsidiaries received significant payments in the current financial year or the financial year immediately preceding it.

The NC will then review the checklist completed by each Director to determine whether the Director is independent.

The NC determines if a Director is able to and has been adequately carrying out his duties as Director of the Company, taking into consideration the Director's number of listed company Board representations and other principal commitments.

The NC notes the requirement under the 2012 Code for companies to fix the maximum number of listed company board representations that their Directors may hold and to disclose this in their annual report. As time requirements are subjective, the NC recognises that its assessment of each Director's ability to discharge his or her duties adequately should not be confined to the sole criterion of the number of his or her board representations. Thus, it will also take into account contributions by Directors during Board and Board Committee meetings, and their attendance at such meetings, in addition to each of their principal commitments.

CORPORATE GOVERNANCE

Directorships or chairmanships held by the Company's Directors in other listed companies are as follows:

Name of Director	Date of first appointment / last re-election	Directorships in other listed companies	
		Current	Past 3 Years
Fang Ming (Executive Chairman and Group CEO)	26 September 2008 / 29 April 2013	Nil	Nil
Ko Kheng Hwa (Executive Director and Group CEO)	1 March 2013 / 29 April 2013 [6]	Nil	Nil
Yang Xiao Yu (Executive Director)	31 May 2011 / 23 April 2012	Nil	Nil
Christopher Chong Meng Tak (Lead Independent Director)	19 December 2007 [4] / 29 April 2013	– ASL Marine Holdings Ltd – GLG Corp Ltd [1] – Koda Ltd – Koon Holdings Limited [3] – Lorenzo International Limited	– Xpress Holdings Ltd – SKY China Petroleum Services Limited – Win Fund [2] – Imagi International Holdings Ltd [5]
Tan Sek Khee (Independent Director)	29 April 2013	– Europtronic Group Ltd. – ASL Marine Holdings Ltd	China Dyeing and Printing Holding Ltd
Xiao Zu Xiu (Independent Director)	26 September 2008 / 29 April 2013	Nil	Nil
He Zhao Ju @ Danny Ho (Non-Executive Director)	26 September 2008 / 23 April 2012	Nil	Nil
Ho Sheng (Non-Executive Director)	29 April 2013	Cordlife Group Ltd	Nil
Tan Kim Seng (Non-Executive Director)	29 April 2013	Nil	Nil

Notes:
(1) Listed on the Australian Stock Exchange.
(2) Listed on the Luxembourg Stock Exchange.
(3) Listed on both the Singapore and Australian Stock Exchange.
(4) Prior to 26 September 2008 and the RTO, the Company was previously known as Showy International Limited.
(5) Listed on the Hong Kong Stock Exchange.
(6) Resigned on 15 March 2014.

CORPORATE GOVERNANCE

Mr. Christopher Chong Meng Tak, Mr. Tan Sek Khee and Mr. Ho Sheng holds concurrent directorships in other listed companies for the financial year ended 31 December 2013.

After deliberation, the NC is satisfied that Mr. Christopher Chong Meng Tak, Mr. Tan Sek Khee and Mr. Ho Sheng can, and has been able to, devote sufficient time and attention to the affairs of the Group and adequately discharge his duties. The Board recognises the contributions of its independent Directors who over time, have developed deep insights into the Group's businesses and operations, and who are therefore able to provide valuable contributions to the Group. As such, the Board has not set a fixed term of office for each of its independent Directors so as to be able to retain the services of the Directors as necessary.

In accordance with the Company's Articles of Association, all Directors are required to retire from office at least once every three years and submit themselves for re-election at the next Annual General Meeting ("AGM"). A newly appointed Director must also submit himself for re-election at the AGM following his appointment.

The information on each Director's academic and professional qualifications, shareholdings in the company and its related corporations, relationships (if any), directorships and chairmanships both present and those held over the preceding three years in other listed companies, and other principal commitments is presented in the "Board of Directors" and "Directors' Report" section of this annual report.

Principle 5: Board Performance

The Board has implemented a process for assessing its effectiveness as a whole and for assessing the contribution by each Director to the effectiveness of the Board. The evaluation of the Board's performance is conducted by means of an evaluation questionnaire completed by each Director on the Board, which is then collated and analyzed. The results of the Board's performance evaluation are reviewed by the NC and circulated to the Board for consideration thereafter. When performing such appraisal, the NC and the Board will also take into consideration comparisons with peers in the real estate development industry and appropriate recommendations to further enhance the effectiveness of the Board will be implemented. The Board also considers the following key performance criteria:

- Board size and composition;
- Board information;
- Board processes;
- Board accountability;
- Performance benchmark; and
- Board performance in discharging its principal functions.

In order to improve the Board's performance, the NC encourages all Directors to attend relevant courses, the expense of which will be borne by the Group. These include courses conducted by the SGX-ST and other relevant courses in the People's Republic of China and in Singapore. The NC is also supportive of any Directors who wish to attend any diploma or certified courses such as those held by the Australian Institute of Company Directors.

CORPORATE GOVERNANCE

When considering the re-appointment of a Director, the NC will evaluate the performance of the Director by considering his or her attendance record at meetings of the Board and Board Committees, active participation during these meetings and the quality of his or her contributions.

Through the NC, the Board will endeavor to ensure that Directors appointed to the Board, whether individually or collectively, possess the experience, knowledge and expertise critical to the Group's business. It has also ensured that each Director, with his special contributions, brings to the Board an objective perspective to enable sound, balanced and well-considered decisions to be made. Each member of the NC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his or her performance or re-nomination as Director of the Company.

Principle 6: Access to Information

In order to ensure that the Board is able to discharge its responsibilities effectively, the Company provides the Directors with regular updates on the operational and financial performance of the Company, and furnishes the Directors with complete and adequate information on matters that require their consideration. Board papers with the relevant background and financial information are circulated prior to the respective meetings. However, sensitive matters may occasionally only be tabled at the meeting itself or discussed without papers being distributed.

All Directors have separate, unrestricted and independent access to the Company's senior management and the Company Secretary. The responsibilities of the Company Secretary include ensuring a smooth flow of information between the Board and its Board Committees, the senior management and non-executive Directors. The Company Secretary attends all Board and Board Committee meetings, and is responsible for ensuring that proper Board procedures are being followed and that applicable rules and regulations are complied with.

Under the Articles of Association of the Company, the decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.

In situations where the Directors, whether individually or as a group, need to seek independent professional advice, they can select the professional advisor to be engaged by the Company. The cost of such professional advice will be borne by the Company.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

The RC comprises three Directors, two of whom are independent Directors and one of whom is a non-executive Director. The RC is chaired by Mr. Tan Sek Khee and has Mr. Xiao Zu Xiu and Mr. Tan Kim Seng as its members. The RC Chairman is an independent and non-executive Director.

CORPORATE GOVERNANCE

The principal duties and responsibilities of the RC include:

- Reviewing and recommending to the Board for its endorsement a general framework of remuneration for the Board and key management personnel including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;
- Reviewing and recommending to the Board for its endorsement the specific remuneration packages for each Director as well as for the key management personnel, and where necessary, obtaining advice from external remuneration consultants in relation to such contracts;
- Reviewing the Company's obligations arising in the event of termination of the executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
- Proposing appropriate measures and identifying key performance indicators for assessing the performance of the executive Directors; and
- Administering the Ying Li Performance Share Plan ("PSP") and Ying Li Employee Share Option Scheme ("ESOS") adopted at the Extraordinary General Meeting held on 28 April 2010 in accordance with their terms.

Each member of the RC will abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his own remuneration.

For the financial year ended 31 December 2013, the Company has put in place service contracts for every Executive Director which sets out their remuneration framework. Such service contracts are for a fixed period of up to five years, do not contain onerous removal clauses and provide for a notice period of up to six months.

Principle 8: Level and Mix of Remuneration

The level and structure of remuneration is designed to be aligned with the long-term interest and risk policies of the Company, and is sufficiently competitive to attract, retain and motivate the Directors to provide good stewardship of the Company and the key management personnel to successfully manage the Company. In determining the remuneration packages of the executive Directors and key management personnel, the RC takes into consideration their performance, as well as the financial, commercial and business outlook of the Company.

The remuneration packages of the executive Directors and other key management personnel (individuals who occupy the position of Deputy General Manager or its equivalent, or more senior positions) consist of the following components:

(a) Fixed and Variable Wage Components

The fixed component consists of a basic salary and annual wage supplement. To ensure that the remuneration packages of key executives is consistent and comparable with market practice, the RC regularly compares this fixed component with those of companies in similar industries, while continuing to be mindful of the fact that there is a general correlation between increased remuneration and incentives, and improvement in performance.

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The variable component comprises a variable bonus based on the Group's and individual's performance, as well as the monthly variable component of the basic salary. To link rewards to performance, the more senior the executive is within the Group, the higher the percentage of the variable component against total remuneration. A comprehensive and structured assessment of the performance of key executives is undertaken each year. Bonuses payable to key executives are reviewed by the RC and approved by the Board to ensure the alignment of their interests with those of shareholders. The Company has incorporated appropriate "claw-back mechanisms" to allow it to reclaim the variable component of remuneration from Directors and key management personnel in the exceptional circumstances of: (i) misstatement of financial results; or (ii) misconduct resulting in financial loss to the Company.

(b) Benefits

Benefits provided are consistent with market practice and include medical benefits and usage of company vehicles. Eligibility to enjoy these benefits will depend on individual salary grade and length of service.

(c) Share Options and Performance Share

On 28 April 2010, the Company adopted the ESOS and PSP which is intended to inculcate in all participants a stronger and more lasting sense of identification with the Group. The purpose of adopting more than one share plan is to give the Company greater flexibility to align the interest of employees, especially key executives, with those of the shareholders. The ESOS and PSP will complement each other in the Company's continuing efforts to reward, retain and motivate employees to achieve superior performance, and will allow the Company give recognition for past contributions and services, as well as motivating participants to generally contribute towards the Group's long-term prosperity. The ESOS and PSP will further strengthen the Company's competitiveness in attracting and retaining employees, especially employees who have the requisite knowledge, technical skills and experience whom the Company believes could contribute to the development and growth of the Group.

The PSP contemplates the award of fully-paid shares to participants after certain performance targets have been met. These performance targets may be set by the committee comprising Directors of the Group appointed by the Board to administer the ESOS and PSP ("Committee"), taking into account factors such as the Company's and Group's business goals and directions to each financial year, the participant's actual job scope and duties and the prevailing economic conditions. As such, the PSP is targeted at key employees who are in the best position to drive the growth of the Company through superior performance. In contrast, the assessment criteria for granting options under the ESOS are more general (e.g. length of service and general performance of the Group) as it is intended as a loyalty-driven time-based incentive program.

ESOS

Subject to the absolute discretion of the Committee, employees and executive Directors of the Company are eligible to participate in the ESOS. If deemed eligible under the terms of the ESOS, a Controlling Shareholder (as defined in the Listing Manual) and his associates may also participate in the ESOS, subject to the absolute discretion of the Committee and provided that their participation and each grant of an option to any of them may only be effected with the specific prior approval of shareholders in a general meeting by a separate resolution (collectively, "**ESOS Participants**").

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In compliance with the requirements of the SGX-ST Listing Manual, the aggregate number of shares over which options may be granted on any date under the ESOS, when aggregated with the number of shares issued and/or issuable in respect of all options granted under the ESOS, all awards granted under the PSP and all shares, options or awards granted under any other share option or share scheme of the Company then in force, shall not exceed 5% of the total issued shares of the Company (excluding treasury shares) on the day preceding the date of the relevant grant. Furthermore, the aggregate number of shares over which options may be granted under the ESOS to Controlling Shareholders and their associates shall not exceed 25% of the shares available under the ESOS, and the number of shares over which an option may be granted under the ESOS to each Controlling Shareholder or his associate shall not exceed 10% of the shares under the ESOS.

The options that are granted under the ESOS may have exercise prices that are set: (i) at a price equal to the average of the last dealt prices for an ordinary share in the capital of the Company determined by reference to the daily official list published by the SGX-ST for a period of five consecutive days on which the SGX-ST is open for trading in securities immediately prior to the relevant date on which an offer to grant an option is made ("**Market Price**"); or (ii) at a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the Market Price and is approved by shareholders in a general meeting in a separate resolution.

The ability to offer options at a discount to the Market Price will give the Company flexibility in structuring the options granted, and ensures that the Company maintains the competitiveness of its compensation strategy. The Company may also utilise the options as a means to reward the ESOS Participants for their outstanding performance and to motivate them to continue to excel, as well as attract new talent for the Company. The grant of options at a discount to the Market Price operate as a form of cashless reward from the company which is an effective manner of motivating participants to maximise their performance, which will in turn create better value for shareholders.

An option granted which is exercisable at Market Price and at a discount to the Market Price shall be exercisable at any time by the ESOS Participant after the first anniversary and the second anniversary respectively of the date the option was granted ("**Option Grant Date**"), provided that such option must be exercised before the 4th anniversary of the Option Grant Date (or such earlier date as determined by the Committee), failing which the unexercised option shall immediately lapse and become null and void. In view of the longer vesting period for options that are granted at a discount to the Market Price, holders of such options are encouraged to have a long term view of the Company, thereby promoting staff and employee retention and reinforcing their commitment to the Company.

As at 31 December 2013, the number of outstanding share options granted under the ESOS to selected long-term employees of the Company based on their length of service and the performance of the Group was 20,098,968. None of these options have been exercised.

PSP

The Company has on 28 April 2010 adopted the PSP to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieved increased performance.

CORPORATE GOVERNANCE

Subject to the absolute discretion of the Committee, employees and executive Directors of the Company are eligible to participate in the PSP. If deemed eligible under the terms of the PSP, a Controlling Shareholder (as defined in the Listing Manual) and his associates may also participate in the PSP, subject to the absolute discretion of the Committee and provided that their participation and each grant of an option to any of them may only be effected with the specific prior approval of shareholders in a general meeting by a separate resolution (collectively, "**PSP Participants**").

An award under the PSP represents the right of a PSP Participant to receive fully paid shares of the Company free of charge upon the PSP Participant achieving the relevant performance target. Subject to limitations under the rules of the PSP, the number of shares which are the subject of an award to be granted to each PSP Participant shall be determined by the Committee in its absolute discretion, taking into consideration, where applicable, factors such as his rank, past performance, length of service, contribution to the success and development of the Group, potential for future development and prevailing market and economic conditions.

In compliance with the requirements of the SGX-ST Listing Manual, the aggregate number of shares for which an award may be granted on any date under the PSP, when added to the number of shares issued and/or issuable in respect of all awards granted under the PSP and all options granted under the ESOS and all shares, options or awards granted under any other share option or share scheme of the Company then in force shall not exceed 5% of the total issued shares of the Company (excluding treasury shares) on the day preceding the date of the relevant grant. Furthermore, the aggregate number of shares over which awards may be granted under the PSP to Controlling Shareholders and their associates shall not exceed 25% of the shares available under the PSP, and the number of shares over which an option may be granted under the PSP to each Controlling Shareholder or his associate shall not exceed 10% of the shares under the PSP.

The PSP shall be continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which the PSP is adopted.

Subject to the Committee being satisfied at its absolute discretion that a PSP Participant has achieved his performance target, the shares granted will vest over a four-year period of service with the Group, commencing from the date of grant.

As at 31 December 2013, the total number of share awards granted under the PSP is 29,602,932. On 1 April 2013, 6,097,893 were vested in relation to selected employees who fulfilled certain performance targets based on the Company's performance and individual performance appraisal, and the number of share awards granted but not vested as at 31 December 2013 is 23,505,039.

The independent and non-executive Directors receive fees which are reviewed by the RC to ensure commensuration with the contributions, responsibilities and time spent by such individuals. Such fees are paid subject to shareholders' approval being obtained at the Company's AGM.

In addition to their basic fee, each Director will also receive an allowance, the sum of which is determined by his or her role in the Board and in the various Board Committees for the relevant financial year.

CORPORATE GOVERNANCE

Principle 9: Disclosure of Remuneration

The remuneration of the Directors of the Group for the financial year ended 31 December 2013 is as follows:

	Salary / Directors' fees	Bonus	Share options	Share-based incentives	Total compensation
	%	%	%	%	(S$'000)
Executive Directors					
Fang Ming (concurrently Group CEO until 1 March 2013)	52	–	30	18	496
Ko Kheng Hwa (concurrently Group CEO from 1 March 2013)	79	–	12	9	668
Yang Xiao Yu	67	–	19	14	245
Non-Executive Directors					
He Zhao Ju @ Danny Ho	100	–	–	–	56
Ho Sheng	100	–	–	–	37
Tan Kim Seng	100	–	–	–	37
Independent Directors					
Christopher Chong Meng Tak	100	–	–	–	87
Tan Sek Khee	100	–	–	–	51
Xiao Zu Xiu	100	–	–	–	71

The remuneration bands of the top five key management personnel of the Group (who are not Directors or the Group CEO) for the financial year ended 31 December 2013 is as follows:

	Salary and Bonus	Share options	Share-based incentives
	%	%	%
Key management personnel			
$250,000 to $500,000			
Yang Fang Heng	31	40	29
Wu Shao Ming	36	38	27
Hou Bao Jun	43	33	24
Wang Ze Min	36	38	27
Zhang Guang Wei	38	36	36

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The aggregate total remuneration paid to the top five key management personnel (who are not Directors or the Group CEO) for the financial year ended 31 December 2013 is S$1.37 million.

None of the employees who are immediate family members of a Director or the Group CEO received more than S$50,000 in remuneration for the financial year ended 31 December 2013.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board is aware of its responsibilities to provide shareholders with a balanced, understandable and comprehensive view of the Company's performance, financial position and prospects on a timely basis. The quarterly and full year results announcements are released via the SGXNET within the mandatory period. Price sensitive information is publicly released either before the Company meets with any group of investors or analysts, or simultaneously with such meetings.

In order to comply with the 2012 Code, the Board has established written policies to ensure compliance with legislative and regulatory requirements where appropriate.

Currently, the management will provide all members of the Board, including non-executive Directors, with management accounts and such explanation and information on a monthly basis in order to allow effective monitoring and decision making by the Board.

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of risk. The Board approves the key risk management policies and ensures that the management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and will also determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives. The Company has established a risk matrix to document risk impact, risk response and follow-up. Risk assessment and control issues will also be communicated to employees.

The Board, with the assistance of the AC, undertakes an annual assessment on the adequacy and effectiveness of the Group's risk management and internal control systems. The assessment for the financial year ended 2013 considered issues dealt with in reports reviewed by the Board during the year, together with any additional information necessary to ensure that the Board has taken into account all significant aspects of risks and internal controls for the Group for the financial year ended 31 December 2013.

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As a property developer of prime commercial and office space, the Company's principal operating risks includes but is not limited to:

- Completion of its developments on time and within specifications;
- Achievement of minimum levels of occupancy and average per square meter rental rates and sales price;
- Access to adequate and reasonably priced funding;
- Ability to source for new and reasonably priced land; and
- Local or central policies and regulations that are adverse to the interests of the Group.

In addition to the above, the Company is also subject to the following risks:

- Changes in PRC laws and regulations that are adverse to the interests of the Group;
- Losses due to currency conversions (RMB-S$-US$);
- Compliance with government requirements and debt covenants; and
- Negative perceptions about the countries in which the Group has its principal operations and the property development sector by bankers and capital providers.

The AC continuously assesses these risks but formally undertakes a review of such risks with the management and the internal auditors once a year. The AC uses a methodology to identify, judge and assess risks similar to that used by enterprise risk management systems. Once all identified risks are classified, the internal auditor is charged with assessing the adequacy of such controls: (i) annually for high risk sectors or risks with significant potential negative impacts; (ii) once every two years for medium risks sectors; and (iii) once every three years for low risk sectors. The internal auditor is required to apply and has confirmed that the standards applied meet the equivalent of the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. In additional, the AC has put in place certain additional controls with respect to cash management and monitoring and feedback mechanisms, and the AC Chairman meets with the audit partner privately at least twice a year.

While the AC understands the importance of ensuring that the management maintains a sound internal control framework, it also recognizes that no internal control system will preclude all errors and irregularities as a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and it can only provide a reasonable but not absolute assurance against material misstatements or losses. In order to obtain assurance that the Group's risks are managed adequately and effectively, the Board conducted an overview of the risks which the Group is exposed to and reviewed the countermeasures and internal controls implemented to manage such risks.

The Board has obtained a written confirmation from the Group CEO and CFO that as at 31 December 2013:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) regarding the effectiveness of the Group's risk management systems and internal control systems.

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Based on the internal controls including financial, operational and compliance controls, established and maintained by the Group, work performed by the internal and external auditors, and reviews undertaken by the management, the various Board Committees and the Board are of the opinion that the Group's internal controls addressing material financial, operational and compliance risks are adequate and effective as at 31 December 2013 to meet the needs of the Group, taking into account the nature and scope of its operations.

Principle 12: Audit Committee

The AC comprises three Directors, all of whom are independent Directors. The AC is chaired by Mr. Christopher Chong Meng Tak, a Chartered Accountant and has Mr. Tan Sek Khee, who has extensive experience in general corporate management, business development, marketing, procurement and logistics, and Mr. He Zhao Ju @ Danny Ho, who is a Chartered Financial Analyst and a member of the Association for Investment Management and Research as its members. The members of the AC, collectively, have expertise or experience in financial management and are qualified to discharge the AC's responsibilities. None of the members nor the AC Chairman are former partners or Directors of the Group's auditing firm.

The principal duties and responsibilities of the AC include:

- Reviewing the audit plans and the proposed scope of audit examination to be conducted by the internal auditors and external auditors for the purpose of evaluating the effectiveness of the Company's material internal controls;
- Reviewing the internal auditors' evaluation of internal accounting controls system and approving changes or new internal controls implemented by the Company;
- Appraising and reporting to the Board on the audit works undertaken by the internal auditors and external auditors, adequacy of information disclosed and the appropriateness and quality of the internal controls system;
- Reviewing the assistance given by management to the internal auditors and external auditors to ensure that there is no restriction hindering on their work;
- Reviewing the cost effectiveness of the audit, the independence and objectivity of the external auditors, and the nature and extent of non-audit services provided by them;
- Recommending to the Board the appointment, re-appointment or removal of the external auditors for the ensuring year and approving their remuneration and terms of engagement;
- Reviewing with the Board, management and the auditors the possible risks or exposures that may exist and identifying the necessary steps to take in order to minimize such risk to the Company;
- Reviewing the quarterly and full year results announcements, the audited annual financial statements, key areas of management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have an impact on the financials and any other announcements relating to the financials of the Company before recommending them to the Board for approval; and
- Reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual.

CORPORATE GOVERNANCE

Besides assisting the Board in discharging its responsibilities in safeguarding the shareholders' investment and the Company's assets, the AC is constantly involved in developing and maintaining an effective system of internal controls, with an overall objective of ensuring that the management creates and maintains an effective control environment in the Company.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the management, full discretion to invite any executive Director or officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC meets with both the internal auditors and external auditors, without the presence of management, at least once a year to review any matter that might be raised.

For the financial year ended 31 December 2013, the aggregate amount of fees paid to the external auditors is S$250,000 and there were no fees paid for non-audit services. Pursuant to their annual review of the independence of the external auditors, the AC is also satisfied with their independence for the financial year ended 31 December 2013.

The AC has recommended to the Board the re-appointment of Foo Kon Tan Grant Thornton LLP as the Company's external auditors at the forthcoming AGM.

The Board and the AC, having reviewed the adequacy of the resources and experience of Foo Kon Tan Grant Thornton LLP, the audit engagement partners assigned to the audit, their other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit, were satisfied that the Group had complied with Rules 712 and 716 of the Listing Manual.

WHISTLE-BLOWING POLICY

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Company has put in place a whistle-blowing policy and procedures duly endorsed by the AC, where employees of the Group may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters such as suspected fraud, corruption, dishonest practices etc. All reports, including anonymous reports, reports that are lacking in details and verbal reports, will all be investigated into. All complaints will be treated as confidential and will be brought to the attention of the AC.

Assessment, investigation and evaluation of complaints are conducted by or, at the direction of the AC if it deems appropriate, independent advisors engaged at the Group's expense. Following investigation and evaluation of a complaint, the AC will then decide on recommended disciplinary or remedial action, if any. Appropriate actions that are determined by the AC shall then be brought to the Board or to the appropriate senior executive of the Group for authorisation or implementation respectively.

In the event that the report is about a Director, that Director will not be involved in the review and any decision making with respect to that report. The policy aims to encourage reporting of such matters in good faith, with the confidence that any employees making such reports will be treated fairly and be protected from reprisals. Details of the whistle-blowing policy have been made available to all employees.

CORPORATE GOVERNANCE

Principle 13: Internal Audit

The Company recognizes the importance of establishing an internal audit function that is independent of the activities it audits. The internal audit function is currently outsourced to Nexia TS Risk Advisory Pte Ltd who report directly to AC Chairman. The team leader in-charge is a Certified Internal Auditor and the audit work is carried out in accordance with the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC has reviewed the work of the internal auditors and is satisfied that the existing internal controls in the Company are adequate. The AC also provides a communication channel between the Board, the management and the external auditors on matters relating to audit.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle14: Shareholder Rights

Principle15: Communication with Shareholders

The Company is mindful of its obligations to provide material information in a fair and organized manner and on a timely basis to its shareholders. The Company strives to ensure regular, effective and fair communication with its shareholders, and be as descriptive, detailed and forthcoming as possible in disclosing the information and to inform shareholders of changes in the Company or its business which would likely to materially affect the price or value of the Company's shares.

The Company does not practice selective disclosure of material information. Press releases in relation to material developments, quarterly and full year results announcements and presentation slides are always released through the SGXNET on a timely basis for dissemination to shareholders and the public in accordance with the requirements of the SGX-ST. All materials on the quarterly and full year financial results, as well as the latest annual report of the Company, are available on the Company's website –www.yingligj.com. The website also contains various others investor-related information about the Company which serves as an important resource for investors.

In order to solicit and understand the views of the shareholders, briefings for analysts are held in conjunction with the release of the Company's quarterly and full year results, with the Executive Chairman and Group CEO, CFO, Financial Controller and senior executive officers answering questions which the media and analysts may have.

All shareholders will receive the annual report of the Company and notice of AGM by post and through notices published in the newspapers within the mandatory period and will be informed of the rules, including voting procedures, which govern general meetings of shareholders.

The Group has a dedicated investor relations team which communicates with its shareholders and analysts on a regular basis and attends to their queries or concerns. This dedicated investor relations team manages our website and ensures that it is comprehensive and that all our financial information, announcements, policies, and developments are uploaded in a timely manner. All shareholders are invited to write to the Company c/o our Investor Relations Team at *ir@yingligj.com*. The Company strives to reply to emails received between two to three working days. The team also manages the dissemination of corporate information to the media, public, institutional investors and public shareholders, and acts as a liaison point for such entities and parties.

CORPORATE GOVERNANCE

Principle 16: Conduct of Shareholder Meetings

The Group believes in encouraging shareholder participation at general meetings. All registered shareholders are invited to participate and given the right to vote on resolutions at general meetings. Proxy forms will be sent with the notice of general meeting to all shareholders. If any shareholder is unable to attend the general meeting in person, he is allowed to appoint up to two proxies to vote on his behalf. The Company also allows CPF investors to attend general meetings as observers. Voting in absentia by mail, facsimile or e-mail is currently not possible as such voting methods would need to be cautiously evaluated to ensure that the authenticity of the vote and the shareholder's identity is not compromised.

Every matter requiring shareholders' approval will be proposed as a separate resolution. Each item of special business included in the meeting notice will be accompanied by, where appropriate, an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting. The Executive Chairman and all Directors will attend the AGM and be available to take questions from the shareholders. The external auditors are also invited to attend the AGM and are available to assist the Directors in addressing any relevant queries from the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

Minutes of the discussion at the AGM will be made available through SGXNET as well as on the Group's website at *www.yingligj.com*.

DEALINGS IN SECURITIES

Directors, key executives of the Group and their officers are not allowed to deal in the Company's securities during the "black-out" period - being two weeks and one month immediately preceding the announcement of the Company's quarterly and full-year results respectively, or if they are in possession of unpublished price-sensitive information of the Group. In addition, Directors, key executives and officers are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's shares on short-term considerations.

INTERESTED PERSON TRANSACTIONS

All interested person transactions to be entered into by the Company will be reviewed by the AC to ensure that the terms are fair and reasonable prior to recommending them to the Board for approval.

When a potential conflict of interest arises, the Director concerned will not participate in the discussion and will refrain from exercising any influence over other members of the Board.

As a listed company on the SGX-ST, the Company is required to comply with Chapter 9 of the Listing Manual on interested person transactions. To ensure compliance with Chapter 9, the following practices have been implemented:

- The Board meets quarterly to review whether the Company will be entering into any interested person transactions. If the Company intends to do so, the Board will ensure that the Company complies with the requisite rules under Chapter 9; and

CORPORATE GOVERNANCE

- The AC also meets once every three months to review if the Company will be entering into an interested person transaction. If the Company intends to do so, the AC will ensure that the Company complies with the requisite rules under Chapter 9.

In accordance with Rule 907 of the SGX-ST Listing Manual, the interested person transactions entered into for the financial year ended 31 December 2013 are as follows:

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S$100,000)
	RMB'000	RMB'000
Name of Interested Person		
Mr. Fang Ming (1) Interest receivable from the Company	423	–
ACH Investments Pte Ltd (2) Rental of office from the Company	558	–

Notes:

(1) Mr. Fang Ming is a Director and shareholder of the Company and has extended a shareholder's loan to the Company.

(2) Mr. Christopher Chong Meng Tak is the Executive Director and shareholder of ACH Investments Pte Ltd. ACH Investments has entered into a sub-lease arrangement with the Company for the rental of office space from the Company. The rental paid by ACH Investments Pte Ltd is equivalent to the rental paid by the Company to the landlord.

MATERIAL CONTRACTS

Pursuant to Rule 1207(8) of the SGX-ST Listing Manual, saved as disclosed above, the Company confirms that there was no material contract entered into between the Company and its subsidiaries, which the Group CEO, any of the Directors or controlling shareholders, has an interest in, either still subsisting at the end of the financial year, or was entered into since the end of the previous financial year.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The Directors submit this annual report to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 31 December 2013.

Name of Directors

The Directors of the Company in office at the date of this report are:

Fang Ming
Yang Xiao Yu
Christopher Chong Meng Tak
Tan Sek Khee (Appointed on 29 April 2013)
Xiao Zu Xiu
Tan Kim Seng (Appointed on 29 April 2013)
He Zhao Ju @ Danny Ho
Ho Sheng (Appointed on 29 April 2013)

Arrangements to enable Directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the Directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body, other than as disclosed in this report.

Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the following Directors who held office at the end of the financial year were interested in shares and options of the Company and its related corporations as follows:

	Direct interest		Deemed interest	
	As at 1.1.2013 or date of appointment, if later	**As at 31.12.2013**	As at 1.1.2013 or date of appointment, if later	**As at 31.12.2013**
Ordinary shares of the Company Ying Li International Real Estate Limited				
Fang Ming [1]	93,600,000	**94,167,774**	780,439,014	**800,153,014**
Tan Kim Seng	82,672,000	**82,672,000**	–	**–**
Yang Xiao Yu	–	**170,332**	–	**–**
Ordinary shares of USD1 each of the significant shareholder (Newest Luck Holdings Limited)				
Fang Ming	8,500	**8,500**	–	**–**

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Directors' interests in shares or debentures (Cont'd)

	Direct interest		Deemed interest	
	As at 1.1.2013 or date of appointment, if later	**As at 31.12.2013**	As at 1.1.2013 or date of appointment, if later	**As at 31.12.2013**
Options to subscribe for ordinary shares exercisable from 22/4/2014 to 22/4/2016 at an exercise price of Singapore dollars (S$) 0.263 per share (Ying Li International Real Estate Limited)				
Fang Ming	1,514,000	**1,514,000**	–	**–**
Award of performance shares of the Company to be delivered after 21 April 2013 (Ying Li International Real Estate Limited)				
Fang Ming	2,271,000	**1,703,226**	–	**–**
Options to subscribe for ordinary shares exercisable from 2/4/2014 to 2/4/2016 at an exercise price of Singapore dollars (S$) 0.278 per share (Ying Li International Real Estate Limited)				
Yang Xiao Yu	454,000	**454,000**	–	**–**
Award of performance shares of the Company to be delivered after 1 April 2013 (Ying Li International Real Estate Limited)				
Yang Xiao Yu	681,000	**510,668**	–	**–**
Options to subscribe for ordinary shares exercisable from 14/3/2015 to 14/3/2017 at an exercise price of Singapore dollars (S$) 0.360 per share (Ying Li International Real Estate Limited)				
Ko Kheng Hwa (Appointed on 1 March 2013 and resigned on 15 March 2014)	1,081,040	**1,081,040**	–	**–**
Award of performance shares of the Company to be delivered after 13 March 2015 (Ying Li International Real Estate Limited)				
Ko Kheng Hwa (Appointed on 1 March 2013 and resigned on 15 March 2014)	1,081,040	**1,081,040**	–	**–**

Note:

[1] Mr. Fang Ming is deemed to have an interest in the shares of the Company through his shareholding in Newest Luck Holdings Limited, a significant shareholder of Ying Li International Real Estate Limited.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Directors' interests in shares or debentures (Cont'd)

Mr Fang Ming, by virtue of the provisions of Section 7 of the Companies Act, Cap. 50, is deemed to have an interest in the whole of the issued share capital of all the wholly-owned subsidiaries of Ying Li International Real Estate Limited and Newest Luck Holdings Limited.

There are no changes to the above shareholdings as at 21 January 2014.

Directors' interests in contracts

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit, which is required to be disclosed under Section 201(8) of the Act, by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

Share plans

(a) Ying Li Employee Share Option Scheme

The Ying Li Employee Share Option Scheme (the "Option Scheme") was approved by its members at an Extraordinary General Meeting held on 28 April 2010. The Option Scheme is administered by the Remuneration Committee.

The exercise price will be determined by the Remuneration Committee at:

(1) market price of the Company's shares; or

(2) a price which is set at a discount to the market price, the quantum of such discount to be determined by the Remuneration Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the market price.

The aggregate number of new shares over which options may be granted under the Option Scheme, when aggregated with the number of new shares to be issued pursuant to the exercise of options and/or such number of fully paid shares in the Company as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan, shall not exceed 5% of the total number of issued shares in the capital of the Company (excluding treasury shares) on the day preceding that date.

Furthermore, the aggregate number of shares over which options may be granted under the Option Scheme to controlling shareholders and their associates shall not exceed 25% of the shares available under the Option Scheme, and the number of shares over which an option may be granted under the Option Scheme to each controlling shareholder or his associate shall not exceed 10% of the shares available under the Option Scheme.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Share plans (Cont'd)

(a) Ying Li Employee Share Option Scheme (Cont'd)

The Option Scheme shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Option Scheme is approved by shareholders in general meeting, provided that the Option Scheme may continue beyond the aforesaid period of time with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

Other information regarding the Option Scheme:

(1) Options granted to employees and Executive Directors have a contractual life of 4 years commencing from the date of grant and expiring on the day immediately preceding the 4th anniversary of the date of grant.

(2) The options vest two years from the date of grant.

(3) All options are settled by physical delivery of shares.

Details of the share options are as follows:

Option grant date	Exercise price (S$)	Options outstanding at 1 January 2013	Options granted	Options forfeited/ expired/ lapsed	Options exercised	Options outstanding at 31 December 2013	Exercise period
2/4/2012 [1]	0.278	14,746,765	–	–	–	14,746,765	1/4/2014 – 1/4/2016
23/4/2012	0.263	1,514,000	–	–	–	1,514,000	22/4/2014 – 22/4/2016
13/3/2013	0.360	–	1,081,040	–	–	1,081,040	12/3/2015 – 12/3/2017
31/3/2013	0.371	–	1,847,163	–	–	1,847,163	30/3/2015 – 30/3/2017
29/9/2013	0.370	–	910,000	–	–	910,000	28/9/2015 – 28/9/2017
		16,260,765	3,838,203	–	–	20,098,968	

Note:

[1] While the Company had on 2 April 2012 announced the grant of 28,767,257 options under the Option Scheme, only 14,746,765 options were issued by the Company.

3,838,203 share options were granted during the financial year ended 31 December 2013.

At 31 December 2013, no options were exercisable.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Share plans (Cont'd)

(a) Ying Li Employee Share Option Scheme (Cont'd)

The weighted average remaining contractual life of share options outstanding at 31 December 2013 was 2.95 (2012: 3.28) years.

Details of options granted to Directors of the Company under the Option Scheme are as follows:

Participants	Options granted in financial year ended 31 December 2013	Aggregate options granted since commencement of the Option Scheme to 31 December 2013	Aggregate options lapsed since commencement of the Option Scheme to 31 December 2013	Aggregate options exercised since commencement of the Option Scheme to 31 December 2013	Aggregate options outstanding as at 31 December 2013
Group Executive Directors					
Fang Ming	–	1,514,000	–	–	1,514,000
Yang Xiao Yu	–	454,000	–	–	454,000
Ko Kheng Hwa [1]	1,081,040	1,081,040	–	–	1,081,040
	1,081,040	3,049,040	–	–	3,049,040

Note:

[1] Mr Ko Kheng Hwa was appointed as a Director of the Company on 1 March 2013. He was originally entitled to 1,081,040 share options and 831,040 share awards under the Ying Li Employee Share Option Scheme and the Ying Li Performance Share Plan, respectively. Mr Ko Kheng Hwa resigned on 15 March 2014. The Board decided to allot Mr Ko Kheng Hwa 250,000 fully paid-up ordinary shares in the capital of the Company pursuant to the vesting of his share rewards upon fulfillment of the relevant conditions under the Ying Li Performance Share Plan.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company and its subsidiaries.

(b) Ying Li Performance Share Plan

The Ying Li Performance Share Plan (the "Share Plan") was approved by its members at an Extraordinary General Meeting held on 28 April 2010. The Share Plan is administered by the Remuneration Committee.

The aggregate number of new shares over which awards may be granted under the Share Plan, when aggregated with the number of fully paid shares in the Company to be issued pursuant to the vesting of awards under the Performance Share Plan and new shares to be issued pursuant to the exercise of options under the Option Scheme, shall not exceed 5% of the total number of issued shares in the capital of the Company (excluding treasury shares) on the day preceding that date.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Share plans (Cont'd)

(b) Ying Li Performance Share Plan (Cont'd)

Furthermore, the aggregate number of shares over which awards may be granted under the Share Plan to controlling shareholders and their associates shall not exceed 25% of the shares available under the Share Plan and the number of shares over which an award may be granted under the Share Plan to each controlling shareholder or his associate shall not exceed 10% of the shares available under the Share Plan.

The Share Plan shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Share Plan is approved by shareholders in general meeting, provided that the Share Plan may continue beyond the aforesaid period of time with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

The shares which are subject to the share awards will vest over a period of four years, with one quarter of the shares vesting on each of the first, second, third and fourth anniversary of the date of grant, subject to certain service and non-market performance conditions being met.

Information with respect to the number of awards granted under Share Plan is as follows:

Grant date	Fair value (S$)	Balance as at 1 January 2013	Share awards granted	Share awards cancelled/ lapsed	Share awards released	Balance as at 31 December 2013
2/4/2012 [1]	0.278	22,120,148	–	–	(5,530,119)	16,590,029
23/4/2012	0.263	2,271,000	–	–	(567,774)	1,703,226
14/3/2013	0.360	–	1,081,040	–	–	1,081,040
31/3/2013	0.371	–	2,770,744	–	–	2,770,744
29/9/2013	0.370	–	1,360,000	–	–	1,360,000
		24,391,148	5,211,784	–	(6,097,893)	23,505,039

Note:

[1] While the Company had on 2 April 2012 announced the grant of 43,150,886 share awards under the Share Plan, only 22,120,148 share awards were issued by the Company.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Share plans (Cont'd)

(b) Ying Li Performance Share Plan (Cont'd)

Details of awards granted to Directors of the Company under the Share Plan are as follows:

Participants	Awards granted in financial year ended 31 December 2013	Aggregate awards granted since commencement of the Share Plan to 31 December 2013	Aggregate awards lapsed since commencement of the Share Plan to 31 December 2013	Aggregate awards released since commencement of the Share Plan to 31 December 2013	Aggregate awards outstanding as at 31 December 2013
Group Executive Directors					
Fang Ming	–	2,271,000	–	(567,774)	1,703,226
Yang Xiao Yu	–	681,000	–	(170,332)	510,668
Ko Kheng Hwa [1]	1,081,040	1,081,040	–	–	1,081,040
	1,081,040	4,033,040	–	(738,106)	3,294,934

Note:

[1] Mr Ko Kheng Hwa was appointed as a Director of the Company on 1 March 2013. He was originally entitled to 1,081,040 share options and 831,040 share awards under the Ying Li Employee Share Option Scheme and the Ying Li Performance Share Plan, respectively. Mr Ko Kheng Hwa resigned on 15 March 2014. The Board decided to allot Mr Ko Kheng Hwa 250,000 fully paid-up ordinary shares in the capital of the Company pursuant to the vesting of his share rewards upon fulfillment of the relevant conditions under the Ying Li Performance Share Plan.

The Company granted 5,211,784 of share awards under the Share Plan and released 6,097,893 of share awards via the issuance of ordinary shares to those employees and Directors who met the performance and market conditions during the financial year ended 31 December 2013.

The awards granted by the Company do not entitle the holders of the awards, by virtue of such holding, to any rights to participate in any share issue of any other company.

Other than as disclosed above, there have been no options granted to the controlling shareholders of the Company or their associates (as defined in the Listing Manual of Singapore Exchange Securities Trading Limited) or to parent group employees. No Director or employee, other than Mr Fang Ming as disclosed above, has received 5% or more of the total number of options available under each of the share plans.

No options to take up unissued shares of the subsidiaries have been granted during the financial year.

Except as disclosed above, there were no unissued shares of the subsidiaries under options granted by its subsidiaries as at the end of the financial year.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Audit committee

The audit committee ("AC") comprises the following members:

Christopher Chong Meng Tak (Chairman)

Tan Sek Khee

He Zhao Ju @ Danny Ho

The AC performs the functions set out in Section 201B(5) of the Singapore Companies Act, Chapter 50, the Listing Manual of the Singapore Exchange and the Code of Corporate Governance. Responsibilities of the AC include:

– Reviewing the audit plans of the internal and external auditors; and the proposed scope of audit examination to be conducted by the internal auditors for the purpose of evaluating the effectiveness of the Company's material internal controls;

– Reviewing the internal auditors' evaluation of internal accounting controls system and approving changes or new internal controls implemented by the Company;

– Appraising and reporting to the Board of Directors on the audit works undertaken by the internal auditors and external auditors, adequacy of information disclosed and the appropriateness and quality of the internal controls system;

– Reviewing the assistance given by management to the internal auditors and external auditors to ensure that there is no restriction hindering on their work;

– Reviewing the cost effectiveness of the audits, the independence and objectivity of the external auditors, and the nature and extent of non-audit services provided by them;

– Recommending to the Board of Directors the appointment, re-appointment or removal of the external auditors for the ensuring year and approving their remuneration and terms of engagement;

– Reviewing with the Board of Directors and management the possible risks or exposures that may exist and identifying the necessary steps to take in order to minimise such risks to the Company;

– Reviewing the quarterly and full year results announcements, the audited annual financial statements, key areas of management's judgments applied for adequate provisioning and disclosure, critical accounting policies and any significant changes to be made that would have an impact on the financial statements and any other announcements relating to the financial results of the Company before recommending them to the Board of Directors for approval; and

– Reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual of SGX-ST.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Audit committee (Cont'd)

The AC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director or executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The AC is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan Grant Thornton LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Independent auditor

The independent auditor, Foo Kon Tan Grant Thornton LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

FANG MING

CHRISTOPHER CHONG MENG TAK

Dated: 31 March 2014

STATEMENT BY DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

In the opinion of the Directors, the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date, in accordance with the provisions of the Singapore Companies Act, Chapter 50 and International Financial Reporting Standards; and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

FANG MING

CHRISTOPHER CHONG MENG TAK

Dated: 31 March 2014

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YING LI INTERNATIONAL REAL ESTATE LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Ying Li International Real Estate Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and of the Company as at 31 December 2013, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and International Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YING LI INTERNATIONAL REAL ESTATE LIMITED

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and International Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Foo Kon Tan Grant Thornton LLP
Public Accountants and
Chartered Accountants

Singapore,
Dated: 31 March 2014

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

		The Group			The Company	
	Note	**31 December 2013 RMB**	31 December 2012 RMB Re-stated	1 January 2012 RMB Re-stated	**31 December 2013** RMB	31 December 2012 RMB
ASSETS						
Non-Current						
Property, plant and equipment	3	**8,747,775**	9,548,936	9,755,315	**58,963**	54,574
Investment properties	4	**3,837,684,570**	3,115,951,312	2,571,699,535	**–**	–
Subsidiaries	5	**–**	–	–	**2,827,257,014**	2,827,257,014
Other non-current assets	7	**208,319**	708,323	1,208,327	**–**	–
		3,846,640,664	3,126,208,571	2,582,663,177	**2,827,315,977**	2,827,311,588
Current						
Development properties	6	**3,241,927,604**	3,055,430,605	2,830,149,351	**153,338,684**	149,207,448
Trade and other receivables	7	**177,245,610**	434,506,058	179,168,010	**11,065,125**	8,833,515
Amounts owing by subsidiaries	8	**–**	–	–	**1,663,265,801**	1,637,287,972
Cash and cash equivalents	9	**727,131,651**	758,973,920	342,844,634	**29,877,068**	17,411,599
		4,146,304,865	4,248,910,583	3,352,161,995	**1,857,546,678**	1,812,740,534
Total assets		**7,992,945,529**	7,375,119,154	5,934,825,172	**4,684,862,655**	4,640,052,122
EQUITY						
Share capital	11	**3,536,777,055**	3,528,339,856	3,528,339,856	**3,536,777,056**	3,528,339,856
Retained earnings		**1,717,678,205**	1,567,319,087	1,190,135,494	**(201,986,826)**	(156,670,756)
Other reserves	12	**(1,857,624,995)**	(1,917,771,799)	(1,896,519,677)	**(849,059)**	93,031,793
Equity attributable to owners of the Company		**3,396,830,265**	3,177,887,144	2,821,955,673	**3,333,941,171**	3,464,700,893
Non-controlling interests		**54,968,957**	55,472,767	55,047,670	**–**	–
Total equity		**3,451,799,222**	3,233,359,911	2,877,003,343	**3,333,941,171**	3,464,700,893
LIABILITIES						
Non-Current						
Deferred tax liabilities	13	**483,593,265**	430,539,924	348,634,560	**–**	–
Borrowings	14	**814,375,000**	1,052,437,475	970,842,546	**–**	1,052,437,475
		1,297,968,265	1,482,977,399	1,319,477,106	**–**	1,052,437,475
Current						
Amount owing to subsidiaries	8	**–**	–	–	**706,504,002**	119,050,833
Trade and other payables	15	**1,159,081,248**	1,052,788,650	664,165,797	**11,525,575**	3,862,921
Borrowings	14	**1,988,455,706**	1,469,780,084	965,818,577	**632,891,907**	–
Provision for taxation		**95,641,088**	136,213,110	108,360,349	**–**	–
		3,243,178,042	2,658,781,844	1,738,344,723	**1,350,921,484**	122,913,754
Total liabilities		**4,541,146,307**	4,141,759,243	3,057,821,829	**1,350,921,484**	1,175,351,229
Total equity and liabilities		**7,992,945,529**	7,375,119,154	5,934,825,172	**4,684,862,655**	4,640,052,122

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	**Year ended 31 December 2013 RMB**	Year ended 31 December 2012 RMB
Revenue	16	**638,822,935**	585,220,382
Cost of sales		**(387,539,980)**	(328,415,021)
Gross profit		**251,282,955**	256,805,361
Other income	17	**7,075,231**	17,057,429
Loss on redemption of convertible bonds	14	**(17,041,590)**	–
Selling expenses		**(37,988,700)**	(40,611,231)
Administrative expenses		**(65,541,396)**	(80,503,153)
Fair value gain on investment properties	4	**259,592,299**	378,331,633
Finance costs	18	**(105,093,918)**	(15,274,311)
Profit before taxation	18	**292,284,881**	515,805,728
Tax expense	19	**(87,125,107)**	(138,197,038)
Profit for the year		**205,159,774**	377,608,690
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences (at nil tax)		**56,489,130**	(41,980,617)
Other comprehensive income for the year		**56,489,130**	(41,980,617)
Total comprehensive income for the year		**261,648,904**	335,628,073
Profit/(Loss) attributable to:			
Ordinary shareholders of the Company		**205,663,584**	377,183,593
Non-controlling interests		**(503,810)**	425,097
		205,159,774	377,608,690
Total comprehensive income/(loss) attributable to:			
Ordinary shareholders of the Company		**262,152,714**	335,202,976
Non-controlling interests		**(503,810)**	425,097
		261,648,904	335,628,073
Earnings per share (RMB):			
Basic	20	**0.09**	0.17
Diluted	20	**0.09**	0.17

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Attributable to owners of the Company									
	Share capital RMB	Equity compensation reserve RMB	Reverse acquisition reserve RMB	Statutory common reserve RMB	Convertible bonds reserve RMB	Translation reserve RMB	Retained earnings RMB	Total RMB	Non-controlling interests RMB	Total equity RMB
At 1 January 2013	3,528,339,856	20,728,495	(1,993,711,730)	13,139,490	49,444,008	(7,372,062)	1,567,319,087	3,177,887,144	55,472,767	3,233,359,911
Total comprehensive income for the year:										
Profit/(Loss) for the year	–	–	–	–	–	–	205,663,584	205,663,584	(503,810)	205,159,774
Other comprehensive income:										
– Foreign currency translation differences	–	–	–	–	–	56,489,130	–	56,489,130	–	56,489,130
Total comprehensive income for the year	–	–	–	–	–	56,489,130	205,663,584	262,152,714	(503,810)	261,648,904
Transactions with owners, recognised directly in equity:										
Contributions by and distributions to owners:										
– Issue of shares pursuant to Performance Share Plan	8,437,199	(8,437,199)	–	–	–	–	–	–	–	–
– Share-based payment transactions	–	6,234,415	–	–	–	–	–	6,234,415	–	6,234,415
– Transfer to statutory common reserve	–	–	–	55,304,466	–	–	(55,304,466)	–	–	–
– Redemption of convertible bonds	–	–	–	–	(49,444,008)	–	–	(49,444,008)	–	(49,444,008)
Total transactions with owners, recognised directly in equity	8,437,199	(2,202,784)	–	55,304,466	(49,444,008)	–	(55,304,466)	(43,209,593)	–	(43,209,593)
At 31 December 2013	**3,536,777,055**	**18,525,711**	**(1,993,711,730)**	**68,443,956**	**–**	**49,117,068**	**1,717,678,205**	**3,396,830,265**	**54,968,957**	**3,451,799,222**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Attributable to owners of the Company								Non-controlling interests RMB	Total equity RMB
	Share capital RMB	Equity compensation reserve RMB	Reverse acquisition reserve RMB	Statutory common reserve RMB	Convertible bonds reserve RMB	Translation reserve RMB	Retained earnings RMB	Total RMB		
At 1 January 2012	3,528,339,856	–	(1,993,711,730)	13,139,490	49,444,008	34,608,555	1,190,135,494	2,821,955,673	55,047,670	2,877,003,343
Total comprehensive income for the year:										
Profit for the year	–	–	–	–	–	–	377,183,593	377,183,593	425,097	377,608,690
Other comprehensive loss:										
– Foreign currency translation differences	–	–	–	–	–	(41,980,617)	–	(41,980,617)	–	(41,980,617)
Total comprehensive income for the year	–	–	–	–	–	(41,980,617)	377,183,593	335,202,976	425,097	335,628,073
Transactions with owners, recognised directly in equity:										
Contributions by and distributions to owners:										
– Share-based payment transactions	–	20,728,495	–	–	–	–	–	20,728,495	–	20,728,495
Total transactions with owners, recognised directly in equity	–	20,728,495	–	–	–	–	–	20,728,495	–	20,728,495
At 31 December 2012	3,528,339,856	20,728,495	(1,993,711,730)	13,139,490	49,444,008	(7,372,062)	1,567,319,087	3,177,887,144	55,472,767	3,233,359,911

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Year ended 31 December 2013 RMB	Year ended 31 December 2012 RMB
Cash Flows from Operating Activities			
Profit before taxation		**292,284,881**	515,805,728
Adjustments for:			
Depreciation of property, plant and equipment	3	**2,235,960**	2,324,832
Amortisation of other non-current assets		**5,196,746**	1,296,226
Equity-settled share-based payment transactions	18	**6,234,415**	20,728,495
Fair value gain on investment properties	4	**(259,592,299)**	(378,331,633)
Loss on redemption of convertible bonds	14	**17,041,590**	–
Write-off of investment properties		**–**	11,822,320
Interest income	17	**(4,991,754)**	(1,063,132)
Interest expense	18	**105,093,918**	15,274,311
Loss on disposal of property, plant and equipment		**24,579**	32,131
Operating profit before working capital changes		**163,528,036**	187,889,278
Change in investment properties		**1,963,270**	76,002,497
Change in development properties		**(595,043,651)**	(439,918,134)
Change in trade and other receivables		**257,260,448**	(255,389,227)
Change in trade and other payables		**91,306,763**	388,391,866
Cash used in operations		**(80,985,134)**	(43,023,720)
Interest paid		**(121,416,014)**	(5,637,971)
Interest received		**4,991,754**	1,063,132
Income tax paid		**(74,643,788)**	(28,438,913)
Net cash used in operating activities		**(272,053,182)**	(76,037,472)
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	3	**(1,467,829)**	(2,148,382)
Proceeds from disposal of property, plant and equipment		**6,000**	–
Net cash used in investing activities		**(1,461,829)**	(2,148,382)
Cash Flows from Financing Activities			
Cash at bank – restricted		**(391,084,594)**	(106,674,568)
Proceeds from loans and borrowings		**1,729,142,245**	810,701,060
Repayment of loans and borrowings		**(489,330,877)**	(234,653,112)
Repayment of convertible bonds	14	**(1,086,917,100)**	–
Proceeds of loan from a shareholder		**96,112,000**	8,238,254
Repayment of loan from a shareholder		**(8,238,254)**	(97,462,694)
Net cash (used in)/generated from financing activities		**(150,316,580)**	380,148,940
Net (decrease)/increase in cash and cash equivalents		**(423,831,591)**	301,963,086
Cash and cash equivalents at beginning of year		**607,712,875**	298,258,157
Effects of exchange rate changes on cash and cash equivalents		**904,728**	7,491,632
Cash and cash equivalents at end of year	9	**184,786,012**	607,712,875

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

1 General information

Ying Li International Real Estate Limited (the "Company") is a limited liability company incorporated in the Republic of Singapore. The Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited (SGX-ST) on 31 October 2008.

The registered office of the Company is located at 6 Temasek Boulevard #24-04, Suntec Tower Four, Singapore 038986. Its principal place of business is located at Level 4 Tower A, Minsheng Mansion, 181 Minsheng Road, Yuzhong District, Chongqing 400010, the People's Republic of China (the "PRC").

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

The consolidated financial statements for the year ended 31 December 2013 relate to the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

2(a) Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described below.

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Renminbi (RMB). The functional currency of the Company is Singapore dollars. All financial information has been presented in RMB, unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

Critical accounting estimates, assumptions and judgements

The preparation of the financial information in accordance with this basis of preparation requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(a) Basis of preparation (Cont'd)

Critical accounting estimates, assumptions and judgements (Cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical assumptions used and accounting estimates in applying accounting policies are described below.

(i) Identification of functional currencies

The functional currency for each entity in the Group, and for jointly controlled entities and associates, is the currency of the primary economic environment in which it operates.

These financial statements are presented in RMB, which is the functional and presentational currency of most of the Group entities.

Determination of functional currency involves significant judgment and other companies may make different judgments based on similar facts.

The functional currency of each of the Group entities is principally determined by the primary economic environment in which the respective entity operates.

The Group reconsiders the functional currency of its entities if there is a change in the underlying transactions, events and conditions which determine their primary economic environment. The determination of functional currency affects the carrying value of non-current assets included in the statement of financial position and, as a consequence, the amortisation of those assets included in the income statement. It also impacts exchange gains and losses included in the income statement.

(ii) Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires the determination of the most appropriate valuation model, and is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

(iii) Estimation of net realisable value of development properties

Significant judgement is required in assessing the net realisable value of development properties. Net realisable value in respect of development properties is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction, estimated remaining revenues and estimated costs necessary to make the sale.

These assessments include a degree of inherent uncertainty and therefore if the key judgements and estimates change, further impairments of land and work in progress may be necessary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(a) Basis of preparation (Cont'd)

Critical accounting estimates, assumptions and judgements (Cont'd)

(iv) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage, maintenance programmes, and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(v) Impairment of non-financial assets

Property, plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash-generating-units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating-unit (or group of cash-generating-units) and also to use many estimates and assumptions such as future market growth, forecast revenue and costs, useful lives of utilisation of the assets, discount rates and other factors.

(vi) Valuation of investment properties

The Group's investment properties are stated at estimated fair value based on the valuation performed by independent professional valuers. The determination of the fair value of investment property requires the use of historical transaction comparables and estimates such as future cash flows from assets and capitalisation rates applicable to those assets.

(vii) Impairment of loans and receivables

Allowances for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables and amounts due from subsidiaries. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible.

A significant degree of judgement is applied by management when considering whether a trade receivable is impaired. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics, default of payments, indications of financial difficulties of the specific customer, and general economic conditions.

(viii) Income tax

Significant judgement is involved in determining the provision for income taxes. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(b)(i) Interpretations and amendments to published standards effective in 2013

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2013. Information on these new standards, which are applicable to the Group and Company, is presented below. The adoption of these new and revised standards which are relevant to the Group and the Company does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

IFRS 10 Consolidated Financial Statements (IFRS 10)

IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements (IAS 27). IFRS 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of a Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged. Management has reviewed its control assessments in accordance with IFRS 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

IFRS 11 Joint Arrangements (IFRS 11)

IFRS 11 supersedes IAS 31 Interests in Joint Ventures (IAS 31). IFRS 11 revises the categories of joint arrangement, and the criteria for classification into the categories, with the objective of more closely aligning the accounting with the investor's rights and obligations relating to the arrangement. In addition, IAS 31's option of using proportionate consolidation for arrangements classified as jointly controlled entities under that standard has been eliminated. IFRS 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates).

IFRS 12 Disclosure of Interests in Other Entities (IFRS 12)

IFRS 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.

Consequential amendments to IAS 27 Separate Financial Statements (IAS 27) and IAS 28 Investments in Associates and Joint Ventures (IAS 28)

IAS 27 now only addresses separate financial statements. IAS 28 brings investments in joint ventures into its scope. However, IAS 28's equity accounting methodology remains unchanged.

IFRS 13 Fair Value Measurement (IFRS 13)

IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of IFRS 13 is broad and it applies for both financial and non-financial items for which other IFRSs require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

IFRS 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(b)(i) Interpretations and amendments to published standards effective in 2013 (Cont'd)

Amendments to IAS 19 Employee Benefits (IAS 19)

The amendments to IAS 19 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments include to:

- eliminate the 'corridor method' and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;
- change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability; and
- enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

2(b)(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Management is currently assessing the effects on adoption of these new standards, amendments and interpretations in future periods and believes that they will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

IFRS 9 Financial Instruments (IFRS 9)

The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement (IAS 39) in its entirety with IFRS 9. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning on or after 1 January 2015. Chapters dealing with impairment methodology and hedge accounting are still being developed. Further, in November 2011, the IASB tentatively decided to consider making limited modifications to IFRS 9's financial asset classification model to address application issues. Management does not expect to implement IFRS 9 until it has been completed and its overall impact can be assessed.

Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27

The Amendments define the term 'investment entity', provide supporting guidance and require investment entities to measure investments in the form of controlling interests in another entity at fair value through profit or loss. Management does not anticipate a material impact on the Group's consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(c) Summary of significant accounting policies

Basis of Consolidation

Business combinations

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group"). The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(c) Summary of significant accounting policies (Cont'd)

Basis of Consolidation (Cont'd)

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses. The accounting policies for subsidiaries are adjusted to be consistent with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Transactions eliminated on consolidation

All inter-company balances and significant inter-company transactions and resulting unrealised profits or losses are eliminated on consolidation and the consolidated financial statements reflect external transactions and balances only.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(c) Summary of significant accounting policies (Cont'd)

Basis of Consolidation (Cont'd)

Transactions with non-controlling interests

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in retained earnings within equity attributable to the equity holders of the Company.

Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company is Singapore Dollars.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Renminbi. The choice of presentation currency is to better reflect the currency that mainly determines economic effects of transactions, events and conditions of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(c) Summary of significant accounting policies (Cont'd)

Conversion of foreign currencies

Foreign currency transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the date of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of reporting period are recognised in the profit or loss, unless they arise from borrowings in foreign currencies and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to the profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the translations.

Group entities

The results and financial position of all the Group entities *(none of which has the currency of a hyperinflationary economy)* and the Company that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities (including comparatives) are translated at the closing exchange rates at the end of reporting period;

(ii) Income and expenses (including comparatives) are translated at average exchange rates; and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(c) Summary of significant accounting policies (Cont'd)

Property, plant and equipment and depreciation (Cont'd)

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold building	30 years
Office equipment	3 to 5 years
Motor vehicles	5 years
Computers	3 to 5 years

The residual values, depreciation methods and useful lives of property, plant and equipment are reviewed and adjusted as appropriate at the reporting date.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before that expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the income statement.

Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation and are not occupied by the Group. Investment properties are treated as non-current investments and are initially recognised at cost and subsequently carried at fair value, representing open market value determined on annual basis by an independent firm of professional valuers. Gross changes in fair values and the related tax impact are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(c) Summary of significant accounting policies (Cont'd)

Investment properties (Cont'd)

Transfers

Transfers to, or from, investment properties are made where there is a change in use, evidenced by:

- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment;
- commencement of development with a view to sell, for a transfer from investment properties to development properties; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

Development properties

Properties for sale under development are recorded as current assets and are stated at specifically identified cost, including capitalised borrowing costs directly attributable to the development of the properties, aggregate cost of development, materials and supplies, wages and other direct expenses, less any allowance considered necessary by the Directors.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. Capitalisation of borrowing costs ceases upon completion of development. The capitalisation rate is determined by reference to the actual rate payable on borrowings for properties for sale under development, weighted average as applicable.

Properties for sale under development are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

Completed properties are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(c) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

All financial assets are recognised on their trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

An assessment for impairment is undertaken at least at each reporting date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

The Group does not hold any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

<u>Loans and receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as non-current assets.

Loans and receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date the impairment is reversed.

Any reversal is recognised in profit or loss.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Loans and receivables comprise cash and cash equivalents and trade and other receivables, excluding prepayments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(c) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances. For the purpose of the statement of cash flows, pledged bank balances are excluded while bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro-rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(c) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of reporting period.

Financial liabilities

The Group's financial liabilities include bank borrowings, loans from a shareholder, and trade and other payables, excluding advances from customers They are included in the statement of financial position items under "non-current financial liabilities", "current financial liabilities" and "trade and other payables".

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of borrowing using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(c) Summary of significant accounting policies (Cont'd)

Financial liabilities (Cont'd)

Borrowings which are due to be settled within 12 months after the reporting date are included in current borrowings in the statement of financial position even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date. Borrowings to be settled within the Group's normal operating cycle are considered as current. Other borrowings due to be settled more than 12 months after the reporting date are included in non-current borrowings in the statement of financial position.

Trade payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds that can be converted to shares at the option of the holder, when the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

When the conversion option is exercised, its carrying amount will be transferred to the share capital. When the conversion option lapses, its carrying amount will be transferred to revenue reserve.

When a convertible bond is being repurchased before its maturity date, the purchase consideration (including directly attributable costs, net of tax effects) are allocated to the liability and equity components of the instrument at the date of transaction. Any resulting gain or loss relating to the liability component is recognised in the profit or loss.

Interest and gains and losses related to the financial liability are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(c) Summary of significant accounting policies (Cont'd)

Dividends

Final dividends proposed by the Directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared because of the articles of association of the Company which grant the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Operating leases

Where the Group is a lessor

Assets leased out under operating leases are included in investment properties and are stated at fair value and not depreciated. Initial direct costs incurred by the Group in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Where the Group is a lessee

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as a reduction of rental expense on a straight-line over the term of the lease term.

Financial guarantees

Financial guarantee contracts entered into to guarantee the indebtedness of other group entities are initially recognised at their fair value plus transaction costs.

Financial guarantee contracts are subsequently amortised to profit or loss over the period of the subsidiaries, borrowings, unless the Company has incurred an obligation to reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the bank.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(c) Summary of significant accounting policies (Cont'd)

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected costs of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Borrowing costs

Borrowing costs are recognised in profit or loss as incurred except to the extent that they are capitalised. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to define contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the reporting date.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain key executive officers are considered key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(c) Summary of significant accounting policies (Cont'd)

Employee benefits (Cont'd)

Share-based payments

The Group issues equity-settled share-based payments to certain employees. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in the profit or loss with a corresponding increase in the share option reserve over the vesting period during which the employees become unconditionally entitled to the equity instrument. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

The fair value of performance shares award granted to employees is recognised as an expense in profit or loss over the vesting period of the share award with a corresponding credit to equity under the equity compensation reserve. At each reporting date, the number of equity instruments that are expected to be vested are estimated. The impact on the revision of original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period.

When the award shares are issued, the related balance previously recognised in the equity compensation reserve is credited to share capital.

The fair value of the employee share options and is measured using the binomial option pricing model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the Company's historic volatility, particularly over the historic period commensurate with the expected term), expected term of the instruments (based on an estimation of general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(c) Summary of significant accounting policies (Cont'd)

Income taxes (Cont'd)

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the asset.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2(c) Summary of significant accounting policies (Cont'd)

Revenue

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the purchaser. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the goods.

Sale of properties

Revenue from sale of properties is recognised when the control and risk and rewards of the properties have been transferred to the buyer, i.e. when the legal title passes to the buyer or when the equitable interest in the property vests in the buyer upon signing of the property handover notice by the buyer, whichever is the earlier. Payments received from buyers prior to this stage are recorded as advances from customers for sales of properties and are classified as current liabilities.

Rental income

Rental income arising on investment properties is accounted for on a straight-line basis over the lease terms. Rental income from sub-leased property is recognised as other income.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Consultancy fee income

Consultancy fee income is recognised when services are rendered.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise quoted convertible bonds, share options and performance shares.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Chief Executive Officer who makes strategic resources allocation decisions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

3 Property, plant and equipment

	Leasehold buildings RMB	Office equipment RMB	Motor vehicles RMB	Computers RMB	Total RMB
The Group					
Cost:					
At 1 January 2012	2,105,071	2,191,342	10,124,019	1,951,790	16,372,222
Additions	–	237,514	1,479,874	430,994	2,148,382
Disposals	–	(19,100)	(213,409)	–	(232,509)
Translation differences	–	9,737	–	2,783	12,520
At 31 December 2012	**2,105,071**	**2,419,493**	**11,390,484**	**2,385,567**	**18,300,615**
Additions	–	**52,045**	**464,146**	**951,638**	**1,467,829**
Disposals	–	**(243,799)**	–	–	**(243,799)**
Translation differences	–	**(15,414)**	–	**(3,544)**	**(18,958)**
At 31 December 2013	**2,105,071**	**2,212,325**	**11,854,630**	**3,333,661**	**19,505,687**
Accumulated depreciation:					
At 1 January 2012	150,824	627,021	5,570,106	268,956	6,616,907
Depreciation for the year	70,169	533,588	1,228,867	492,208	2,324,832
Disposals	–	(8,309)	(192,069)	–	(200,378)
Translation differences	–	8,773	–	1,545	10,318
At 31 December 2012	**220,993**	**1,161,073**	**6,606,904**	**762,709**	**8,751,679**
Depreciation for the year	**70,169**	**507,341**	**1,273,607**	**384,843**	**2,235,960**
Disposals	–	**(213,220)**	–	–	**(213,220)**
Translation differences	–	**(13,538)**	–	**(2,969)**	**(16,507)**
At 31 December 2013	**291,162**	**1,441,656**	**7,880,511**	**1,144,583**	**10,757,912**
Carrying amount:					
At 31 December 2013	**1,813,909**	**770,669**	**3,974,119**	**2,189,078**	**8,747,775**
At 31 December 2012	1,884,078	1,258,420	4,783,580	1,622,858	9,548,936

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

3 Property, plant and equipment (Cont'd)

	Office equipment RMB	Computers RMB	Total RMB
The Company			
Cost:			
At 1 January 2012	204,015	58,300	262,315
Additions	51,909	–	51,909
Translation differences	9,737	2,783	12,520
At 31 December 2012	**265,661**	**61,083**	**326,744**
Additions	–	**37,921**	**37,921**
Translation differences	**(15,414)**	**(3,544)**	**(18,958)**
At 31 December 2013	**250,247**	**95,460**	**345,707**
Accumulated depreciation:			
At 1 January 2012	180,828	32,024	212,852
Depreciation for the year	36,609	12,391	49,000
Translation differences	8,773	1,545	10,318
At 31 December 2012	**226,210**	**45,960**	**272,170**
Depreciation for the year	**16,677**	**14,404**	**31,081**
Translation differences	**(13,538)**	**(2,969)**	**(16,507)**
At 31 December 2013	**229,349**	**57,395**	**286,744**
Carrying amount:			
At 31 December 2013	**20,898**	**38,065**	**58,963**
At 31 December 2012	39,451	15,123	54,574

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4 Investment properties

The Group	2013 RMB	2012 RMB
At 1 January	**3,109,869,000**	2,564,821,001
Transfer from completed properties for sale (Note 6)*	**468,800,971**	549,070,961
Properties sold	**(1,963,270)**	(75,206,275)
Write-off	**–**	(11,822,320)
Transfer to development properties (Note 6)	**–**	(295,326,000)
Fair value gain recognised in profit or loss	**259,592,299**	378,331,633
At 31 December	**3,836,299,000**	3,109,869,000
Deferred lease incentives **	**1,385,570**	6,082,312
Total investment properties	**3,837,684,570**	3,115,951,312

* During the year, due to changes in business conditions and business strategies, certain completed properties for sale were re-designated as investment properties for rental income and future capital appreciation. Arising therefrom, amounts of RMB468,800,971 (2012 - RMB549,070,961) were transferred from completed properties for sale to investment properties.

** Deferred lease incentives relate to costs assumed by the Group on leasehold improvements to investment properties leased to tenants under operating leases commencing January 2012. The lease incentives are recognised as an expense over the lease term on the same basis as the lease income.

The fair value of investment properties is determined by Jones Lang LaSalle Sallmanns Limited, an independent firm of professional valuers who have appropriate recognised professional qualification and recent experience in the location and category of the investment properties being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

The valuation is based on direct comparison method and income approach in arriving at the fair value of the properties. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income method takes into consideration the estimated net rent at a capitalisation rate applicable to the nature and type of asset in question.

The investment properties are leased to non-related parties under-operating leases.

The following amounts are recognised in profit or loss:

The Group	2013 RMB	2012 RMB
Rental income	**114,109,719**	84,219,968
Direct operating expenses arising from investment properties that generated rental income	**(15,217,787)**	(14,192,344)
Direct operating expenses arising from investment properties that did not generate rental income	**(6,327,169)**	(5,218,368)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4 Investment properties (Cont'd)

Details of the investment properties are as follows

Location (Chongqing, PRC)	Name of project	Description	Total net lettable area (sq. meters)	Group's effective interest in the property	Tenure (Years)
No. 46 to 52 Cangbai Road, Yuzhong District	Southland Garden	Commercial units and carparks	13,242.93	97%	40-year and 50-year land use rights for commercial and residential units expiring in November 2042 and November 2052, respectively.
No. 108 Bayi Road, Yuzhong District, Chongqing	New York, New York	Multi-storey carpark	277.15	97%	40-year land use rights for commercial units expiring in January 2042.
No. 181 Minsheng Road, Yuzhong District	Minsheng Mansion	Commercial units and carparks	10,191.35	97%	40-year and 50-year land use rights for commercial and residential units expiring in September 2033 and September 2043, respectively.
No. 6 Walking Street of Guanyinqiao, Jiang Bei District	Future International	Commercial units and carparks	82,227.46	97%	40-year land use rights for commercial units expiring in March 2045.
No. 141 to 155 Zourong Road, Yuzhong District, Chongqing	Zou Rong Plaza	Commercial units and carparks	6,851.60	97%	50-year land use rights for commercial units expiring in January 2046.
No. 8 Bashu Road, Yuzhong District	Bashu Cambridge	Commercial units and carparks	7,069.97	97%	40-year and 50-year land use rights for commercial and residential units expiring in September 2044 and September 2054, respectively.
No.19 Daping Zheng Jie Yuzhong District	Ying Li International Plaza	Retail units	98,793.99	100%	40-year and 50-year land use rights for commercial and residential units expiring in July 2050 and July 2060, respectively.
No. 26 & 28 Minquan Road, Yuzhong District	Ying Li International Financial Centre	Office and retail units	68,202.37	97%	40-year land use rights for commercial units expiring in 20 December 2044.

* At 31 December 2013, investment properties with carrying value of approximately RMB3,288,242,000 (2012 - RMB1,547,888,000) are mortgaged to banks to secure the bank loans granted to the Group (Note 14).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

5 Subsidiaries

The Company	2013 RMB	2012 RMB
Unquoted equity investments, at cost	2,827,257,014	2,827,257,014

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective interest held by the Group 2013 %	2012 %
Held by the Company:				
Fortune Court Holdings Limited	Hong Kong	Investment holding	**100**	100
Chongqing Yingli Real Estate Development Co., Ltd	PRC	Property development	**51**	51
Luckzone International Limited	British Virgin Islands ("BVI")	Investment holding	**100**	100
Shiny Profit Enterprises Limited	BVI	Investment holding	**100**	100
Peak Century Holdings Limited	BVI	Investment holding	**100**	100
Top Accurate Holdings Limited	BVI	Investment holding	**100**	100
Verdant View Limited	BVI	Investment holding	**100**	100
Vast Speed Limited	BVI	Investment holding	**100**	100
Brandway Investment Limited	BVI	Investment holding	**100**	100
Ever Perfect Enterprise Limited	BVI	Investment holding	**100**	100
First Regent International Limited	Hong Kong	Investment holding	**100**	100
Held by Ever Perfect Enterprise Limited:				
Fully Rich Industrial Limited	Hong Kong	Purchasing of construction material and equipment	**100**	100
Held by Luckzone International Limited:				
Chongqing Yingli Qipaifang Real Estate Development Co., Ltd	PRC	Property development	**100**	100
Held by Fortune Court Holdings Limited:				
Chongqing Yingli Real Estate Development Co., Ltd	PRC	Property development	**46.05**	46.05
Held by Chongqing Yingli Real Estate Development Co., Ltd:				
Chongqing San Ya Wan Aquatic Products Integrative Trading Market Development Co., Ltd	PRC	Property development	**77.6**	77.6
Chongqing Lu Zu Temple Real Estate Co., Ltd	PRC	Property development	**6.7**	6.7

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

5 Subsidiaries (Cont'd)

Name of subsidiary	Country of incorporation	Principal activities	Effective interest held by the Group 2013 %	2012 %
Held by Shiny Profit Enterprises Limited:				
Chongqing Yingli Shiny Profit Real Estate Co., Ltd	PRC	Property development	**100**	100
Held by Peak Century Holdings Limited:				
Yingli International Commercial Properties Management Co., Ltd.	PRC	Property consultancy, sale, marketing and management services	**100**	100
Chongqing Lion Equity Investment Partnership	PRC	Investment holding	**0.1**	0.1
Held by Yingli International Commercial Properties Management Co., Ltd:				
Chongqing Yingli Retail Management Co., Ltd	PRC	Property consultancy, sale, marketing and management services	**9**	9
Chongqing Yingli Zhuoyue Retail Management Co., Ltd	PRC	Property consultancy, sale, marketing and management services	**100**	100
Held by Top Accurate Holdings Limited:				
Chongqing Lu Zu Temple Real Estate Co., Ltd	PRC	Property development	**93.3**	93.3
Held by Verdant View Limited:				
Chongqing Lion Equity Investment Partnership	PRC	Investment holding	**99.9**	99.9
Held by Chongqing Lion Equity Investment Partnership Co., Ltd:				
Chongqing Yingli Retail Management Co., Ltd	PRC	Property consultancy, sale, marketing and management services	**91**	91
Held by First Regent International Limited:				
Perfect Summit Limited	Hong Kong (Incorporated on 1 July 2013)	Investment holding	**100**	–

All subsidiaries are audited by Foo Kon Tan Grant Thornton LLP for consolidation purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

6 Development properties

	The Group 2013 RMB	The Group 2012 RMB	The Company 2013 RMB	The Company 2012 RMB
Properties under development, at cost:				
At 1 January	**3,055,430,605**	2,830,149,351	**149,207,448**	72,583,709
– Costs incurred	**961,807,090**	809,540,363	**4,131,236**	76,623,739
– Transfer from investment properties (Note 4)	**–**	295,326,000	**–**	–
– Transfer to completed properties for sale	**(775,310,091)**	(879,585,109)	**–**	–
At 31 December (A)	**3,241,927,604**	3,055,430,605	**153,338,684**	149,207,448
Completed properties for sale, at cost:				
At 1 January	**–**	–	**–**	–
– Transfer from properties under development	**775,310,091**	879,585,109	**–**	–
– Transfer to investment properties (Note 4)	**(468,800,971)**	(549,070,961)	**–**	–
– Units sold during the year	**(306,509,120)**	(330,514,148)	**–**	–
At 31 December (B)	**–**	–	**–**	–
Development properties, at cost: (A) + (B)	**3,241,927,604**	3,055,430,605	**153,338,684**	149,207,448
Borrowing costs capitalised during the year	**55,128,427**	142,824,678	**4,131,236**	76,623,739

Properties under development as at 31 December 2013 are as follows:

Location (Chongqing, PRC)	Intended use	Stage of completion	Expected date of completion	Site area (sq. meters)	Approximate gross floor area (sq. meters)	Group's effective interest
No.19 Daping Zheng Jie, Yuzhong District	Office, residential and car parks	79%	2013/2014	28,226	409,141	100%
Wu Yi Road, Yuzhong District	Retail, office and car parks	2%	2016/2017	17,000	297,000	100%
Jinshi Avenue, National Agricultural and Technology Zone, Yubei District	Retail, residential and car parks	5%	2015/2016	89,726	307,000	77.6%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

6 Development properties (Cont'd)

Completed properties for sale during the year are as follows:

Location (Chongqing, PRC)	Description	Existing Use	Site area (sq. meters)	Gross floor area (sq. meters)	Group's effective interest
No. 26 & 28 Minquan Road, Yuzhong District	Office units and car parks	Office and car parks	9,482	75,831	97%

At 31 December 2013, land related to properties under development with carrying value totalling approximately RMB563,639,000 (2012 - RMB534,005,000) was mortgaged to secure a bank loan granted to a subsidiary (Note 14).

Development properties comprise of capitalised interest expense arising from loans taken out to fund the construction of projects.

7 Trade and other receivables

	The Group			The Company	
	31 December 2013 RMB	31 December 2012 RMB Re-stated	1 January 2012 RMB Re-stated	**2013 RMB**	2012 RMB
Current assets					
Trade receivables (A)	**108,263,519**	264,040,863	131,010,407	**–**	–
Impairment loss	**(2,257,659)**	(2,257,659)	(2,357,305)	**–**	–
Trade receivables, net (A)	**106,005,860**	261,783,204	128,653,102	**–**	–
Deposits	**7,875,220**	7,961,531	7,937,639	**438,151**	524,461
Refundable contract deposits	**9,996,958**	76,417,770	8,321,903	**–**	5,439
Other receivables	**1,834,142**	2,603,696	1,585,204	**127,513**	585,872
Other receivables (B)	**19,706,320**	86,982,997	17,844,746	**565,664**	1,115,772
Financial assets measured at amortised cost – Loans and receivables (A) + (B)	**125,712,180**	348,766,201	146,497,848	**565,664**	1,115,772
Prepayments	**38,361,682**	75,965,791	4,310,001	**10,499,461**	7,717,743
Advances to sub-contractors	**3,071,748**	5,674,066	24,260,161	**–**	–
Advances to property management agents	**9,600,000**	3,600,000	3,600,000	**–**	–
Prepaid legal consultancy service fees #	**500,000**	500,000	500,000	**–**	–
Other current assets (C)	**51,533,430**	85,739,857	32,670,162	**10,499,461**	7,717,743
Total current trade and other receivables (A) + (B) + (C)	**177,245,610**	434,506,058	179,168,010	**11,065,125**	8,833,515
Other non-current assets					
Prepaid legal consultancy service fees #	**208,319**	708,323	1,208,327	**–**	–
Movements in allowance for impairment loss:					
At 1 January	**2,257,659**	2,357,305	2,357,305	**–**	–
Allowance reversed	**–**	(99,646)	–	**–**	–
At 31 December	**2,257,659**	2,257,659	2,357,305	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

7 Trade and other receivables (Cont'd)

At 31 December 2013, prepayments include sales and business taxes on pre-sold properties, loan commitment fees of RMB 20,717,692 (2012: RMB74,758,296) and relocation costs of RMB Nil (2012: RMB65,605,000) for a property development.

Prepaid legal consultancy service fees relate to legal services to be rendered by a law firm for a period of 5 years commencing May 2011.

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Renminbi	**166,388,804**	426,380,866	**–**	–
Singapore dollar	**11,065,125**	8,833,515	**11,065,125**	8,833,515
	177,453,929	435,214,381	**11,065,125**	8,833,515

The ageing analysis of trade receivables at the reporting date is as follows:

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Not past due and not impaired	**21,662,156**	185,766,071	**–**	–
Past due but not impaired:				
– less than 3 months	**–**	75,520,000	**–**	–
– 3 months to less than 6 months	**–**	202,769	**–**	–
– 6 months to less than 9 months	**–**	–	**–**	–
– 9 months to less than 12 months	**14,616,267**	–	**–**	–
– 12 months and more	**69,727,437**	294,364	**–**	–
Past due and impaired	**2,257,659**	2,257,659	**–**	–
Trade receivables	**108,263,519**	264,040,863	**–**	–
Impairment loss	**(2,257,659)**	(2,257,659)	**–**	–
Trade receivables, net	**106,005,860**	261,783,204	**–**	–

Trade receivables are granted credit terms of between 90 to 180 days. The Group does not require collateral in respect of trade receivables. Based on historical default rates, the Group believes that no additional impairment allowance is necessary in respect of trade receivables. These receivables are mainly arising by customers that have a good credit record with the Group.

Other receivables are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

8 Amounts owing by/to subsidiaries

The amounts owing by/to subsidiaries, comprising mainly advances, are denominated in Renminbi, unsecured, non-interest bearing and repayable on demand.

9 Cash and cash equivalents

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Cash and bank balances	**727,131,651**	758,973,920	**29,877,068**	17,411,599
Restricted bank balance #	**(542,345,639)**	(151,261,045)	**–**	–
Cash and cash equivalents in the consolidated statement of cash flows	**184,786,012**	607,712,875	**29,877,068**	17,411,599

At 31 December 2013, the weighted average interest rate of interest-earning bank balances is 0.7% (2012 - 0.3%).

Restricted bank balance represents: (i) deposits of RMB80,645,639 (2012: RMB151,261,045) pledged to banks to secure certain mortgage loans provided by banks to customers for purchase of the Group's development properties; and (ii) deposits of RMB461,700,000 (2012: RMB Nil) pledged to banks to secure bank loans provided by banks to the Group entities (Note 26).

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Singapore dollar	**133,615,226**	25,988,016	**29,861,582**	17,403,133
United States dollar	**2,710,703**	145,983	**15,486**	8,466
Renminbi	**590,805,722**	732,839,921	**–**	–
	727,131,651	758,973,920	**29,877,068**	17,411,599

10 Equity compensation benefits

(a) Share options (equity-settled)

The Ying Li Employee Share Option Scheme (the "Option Scheme") was approved by its members at an Extraordinary General Meeting held on 28 April 2010. The Option Scheme is administered by the Remuneration Committee.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

10 Equity compensation benefits (Cont'd)

(a) Share options (equity-settled) (Cont'd)

The exercise price will be determined by the Remuneration Committee at:

(1) market price of the Company's shares; or

(2) a price which is set at a discount to the market price, the quantum of such discount to be determined by the Remuneration Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the market price

The aggregate number of new shares over which options may be granted under the Option Scheme, when aggregated with the number of new shares to be issued pursuant to the exercise of options and/or such number of fully paid shares in the Company as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan, shall not exceed 5% of the total number of issued shares in the capital of the Company (excluding treasury shares) on the day preceding that date.

Furthermore, the aggregate number of shares over which options may be granted under the Option Scheme to controlling shareholders and their associates shall not exceed 25% of the shares available under the Option Scheme, and the number of shares over which an option may be granted under the Option Scheme to each controlling shareholder or his associate shall not exceed 10% of the shares available under the Option Scheme.

The Option Scheme shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Option Scheme is approved by shareholders in general meeting, provided that the Option Scheme may continue beyond the aforesaid period of time with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

<u>Other information regarding the Option Scheme:</u>

(1) Options granted to employees and Executive Directors have a contractual life of 4 years commencing from the date of grant and expiring on the day immediately preceding the 4th anniversary of the date of grant.

(2) The options vest two years from the date of grant.

(3) All options are settled by physical delivery of shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

10 Equity compensation benefits (Cont'd)

(a) Share options (equity-settled) (Cont'd)

Details of the share options are as follows:

Option grant date	Exercise price (S$)	Options outstanding at 1 January 2013	Options granted	Options forfeited/ expired/ lapsed	Options exercised	Options outstanding at 31 December 2013	Exercise period
2/4/2012 [1]	0.278	14,746,765	–	–	–	14,746,765	1/4/2014 – 1/4/2016
23/4/2012	0.263	1,514,000	–	–	–	1,514,000	22/4/2014 – 22/4/2016
13/3/2013 [2]	0.360	–	1,081,040	–	–	1,081,040	12/3/2015 – 12/3/2017
31/3/2013	0.371	–	1,847,163	–	–	1,847,163	30/3/2015 – 30/3/2017
29/9/2013	0.370	–	910,000	–	–	910,000	28/9/2015 – 28/9/2017
		16,260,765	3,838,203	–	–	20,098,968	

Option grant date	Exercise price (S$)	Options outstanding at 1 January 2012	Options granted	Options forfeited/ expired/ lapsed	Options exercised	Options outstanding at 31 December 2012	Exercise period
2/4/2012 [1]	0.278	–	14,746,765	–	–	14,746,765	1/4/2014 – 1/4/2016
23/4/2012	0.263	–	1,514,000	–	–	1,514,000	22/4/2014 – 22/4/2016
		–	16,260,765	–	–	16,260,765	

Note:

[1] While the Company had on 2 April 2012 announced the grant of 28,767,257 options under the Option Scheme, only 14,746,765 options were issued by the Company.

[2] Mr Ko Kheng Hwa was appointed as a Director of the Company on 1 March 2013. He was originally entitled to 1,081,040 share options and 831,040 share awards under the Ying Li Employee Share Option Scheme and the Ying Li Performance Share Plan, respectively. Mr Ko Kheng Hwa resigned on 15 March 2014. The Board decided to allot Mr Ko Kheng Hwa 250,000 fully paid-up ordinary shares in the capital of the Company pursuant to the vesting of his share rewards upon fulfillment of the relevant conditions under the Ying Li Performance Share Plan.

3,838,203 share options were granted during the financial year ended 31 December 2013. 16,260,765 share options were granted during the financial year ended 31 December 2012.

At 31 December 2013 and 2012, no options were exercisable.

The weighted average remaining contractual life of share options outstanding at 31 December 2013 was 2.95 (2012: 3.28) years.

During the year, the Group charged RMB3,168,950 (2012: RMB8,627,197) to profit or loss based on the fair value of the share options at the grant date being expensed over the vesting period.

Fair value of share options

The fair value of share options granted is measured by reference to the fair value of services received.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

10 Equity compensation benefits (Cont'd)

(a) Share options (equity-settled) (Cont'd)

Fair value of share options and assumptions

The fair value of share options was determined using the binomial option pricing model with the following inputs:

Date of award	13 March 2013	31 March 2013	29 September 2013	2 April 2012	23 April 2012
Fair value of shares at measurement date	S$0.19	S$0.22	S$0.14	S$0.184	S$0.145
Exercise price at grant date	S$0.36	S$0.371	S$0.37	S$0.278	S$0.263
Expected volatility	49.45%	49.55%	40.23%	61.85%	58.65%
Risk-free interest rate	0.34%	0.59%	0.78%	0.33%	0.31%
Expected dividend yield	0%	0%	0%	0%	0%
Expected option life	3.25 years	3.25 years	3.75 years	2.25 years	2.25 years

The exercise price at the grant date was based on the average share price for 5 consecutive trading days prior to the grant date. The expected volatility was based on the historical volatility of the share price over the most recent period that was commensurate with the expected life of the option. The risk-free interest rate was based on the extrapolated Singapore Government zero-coupon bond yield rate on the grant date with a tenure matching the expected option life. Expected dividend yield was based on expected dividend over one-year volume-weighted average share price prior to the grant date.

(b) Share plan

The Ying Li Performance Share Plan (the "Share Plan") was approved by its members at an Extraordinary General Meeting held on 28 April 2010. The Share Plan is administered by the Remuneration Committee.

The aggregate number of new shares over which awards may be granted under the Share Plan, when aggregated with the number of fully paid shares in the Company to be issued pursuant to the vesting of awards under the Performance Share Plan and new shares to be issued pursuant to the exercise of options under the Option Scheme, shall not exceed 5% of the total number of issued shares in the capital of the Company (excluding treasury shares) on the day preceding that date.

Furthermore, the aggregate number of shares over which awards may be granted under the Share Plan to controlling shareholders and their associates shall not exceed 25% of the shares available under the Share Plan and the number of shares over which an award may be granted under the Share Plan to each controlling shareholder or his associate shall not exceed 10% of the shares available under the Share Plan.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

10 Equity compensation benefits (Cont'd)

(b) Share plan (Cont'd)

The Share Plan shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Share Plan is approved by shareholders in general meeting, provided that the Share Plan may continue beyond the aforesaid period of time with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

The shares which are subject to the share awards will vest over a period of four years, with one quarter of the shares vesting on each of the first, second, third and fourth anniversary of the date of grant, subject to certain service and non-market performance conditions being met.

Information with respect to the number of awards granted under Share Plan is as follows:

Grant date	Fair value (S$)	Balance as at 1 January 2013	Share awards granted	Share awards cancelled/ lapsed	Share awards released	Balance as at 31 December 2013
2/4/2012 [1]	0.278	22,120,148	–	–	(5,530,119)	16,590,029
23/4/2012	0.263	2,271,000	–	–	(567,774)	1,703,226
14/3/2013 [2]	0.360	–	1,081,040	–	–	1,081,040
31/3/2013	0.371	–	2,770,744	–	–	2,770,744
29/9/2013	0.370	–	1,360,000	–	–	1,360,000
		24,391,148	5,211,784	–	(6,097,893)	23,505,039

Grant date	Fair value (S$)	Balance as at 1 January 2012	Share awards granted	Share awards cancelled/ lapsed	Share awards released	Balance as at 31 December 2012
2/4/2012 [1]	0.278	–	22,120,148	–	–	22,120,148
23/4/2012	0.263	–	2,271,000	–	–	2,271,000
		–	24,391,148	–	–	24,391,148

Note:

[1] While the Company had on 2 April 2012 announced the grant of 43,150,886 share awards under the Share Plan, only 22,120,148 share awards were proceeded with upon further consideration by the Company.

[2] Mr Ko Kheng Hwa was appointed as a Director of the Company on 1 March 2013. He was originally entitled to 1,081,040 share options and 831,040 share awards under the Ying Li Employee Share Option Scheme and the Ying Li Performance Share Plan, respectively. Mr Ko Kheng Hwa resigned on 15 March 2014. The Board decided to allot Mr Ko Kheng Hwa 250,000 fully paid-up ordinary shares in the capital of the Company pursuant to the vesting of his share rewards upon fulfillment of the relevant conditions under the Ying Li Performance Share Plan.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

10 Equity compensation benefits (Cont'd)

(b) Share plan (Cont'd)

The Company granted 5,211,784 share awards under the Share Plan and released 6,097,893 share awards via the issuance of ordinary shares to those Directors and employees for which the performance and market conditions were met during the financial year ended 31 December 2013.

During the year, the Group charged RMB3,065,465 (2012: RMB12,101,298) to profit or loss based on the fair value of the performance shares at the grant date being expensed over the vesting period.

Fair value of performance shares

The fair value of the performance shares was determined based on the market price of the Company's share at the grant date.

11 Share capital

	No. of ordinary shares		Amount	
	2013	2012	**2013**	2012
The Company			**RMB**	RMB
Issued and fully paid, with no par value				
At 1 January	**2,162,946,974**	2,162,946,974	**3,528,339,856**	3,528,339,856
Issue of Shares	**6,097,893**	–	**8,437,199**	–
At 31 December	**2,169,044,867**	2,162,946,974	**3,536,777,055**	3,528,339,856

On 26 April 2013, the Company has issued and allotted an aggregate of 6,097,893 fully paid-up ordinary shares in the capital of the Company for a consideration of $8,437,199 pursuant to the vesting of the share awards to selected employees who have fulfilled certain conditions in accordance with the terms of the grant under the Ying Li Performance Share Plan.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

12 Other reserves

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Equity compensation reserve	**18,525,711**	20,728,495	**18,525,711**	20,728,495
Reverse acquisition reserve	**(1,993,711,730)**	(1,993,711,730)	**–**	–
Statutory common reserve	**68,443,956**	13,139,490	**–**	–
Convertible bonds reserve (Note 14)	**–**	49,444,008	**–**	49,444,008
Translation reserve	**49,117,068**	(7,372,062)	**(19,374,770)**	22,859,290
	(1,857,624,995)	(1,917,771,799)	**(849,059)**	93,031,793

The equity compensation reserve comprises the cumulative value of employee services received for the issue of performance shares and share options.

The reverse acquisition reserve relates to the excess of purchase consideration over the fair value of the net assets of Fortune Court Holdings Limited acquired under a reverse acquisition in 2008.

The statutory common reserve represents the amount transferred from profit after taxation of the subsidiaries incorporated in the PRC in accordance with the PRC requirement. The statutory common reserve cannot be reduced except where approval is obtained from the relevant PRC authority to apply the amount either in setting off the accumulated losses or increasing capital.

The convertible bonds reserve comprises the equity component of the convertible bonds net of directly attributable transaction costs.

The translation reserve records exchange differences arising from the translation of the financial statements of Group entities whose functional currencies are different from that of the Group's presentation currency.

13 Deferred tax liabilities

	2013	2012
The Group	**RMB**	RMB
Deferred tax liabilities	**483,593,265**	430,539,924
Movement in temporary differences during the year is as follows:		
Investment properties:		
– Balance at 1 January	**430,539,924**	348,634,560
– Recognised in profit or loss (Note 19)	**53,053,341**	81,905,364
– Balance at 31 December	**483,593,265**	430,539,924

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

14 Borrowings

		The Group		The Company	
		2013	2012	**2013**	2012
	Maturity	**RMB**	RMB	**RMB**	RMB
Bank loans					
– repayable within one year or less	2014	**1,075,035,471**	94,921,137	**137,915,107**	–
– repayable after one year but within the normal operating cycle	2016	**817,308,235**	1,374,858,947	**398,864,800**	–
Loan from a shareholder (i)	2014	**96,112,000***	–	**96,112,000***	–
Presented as current liabilities		**1,988,455,706**	1,469,780,084	**632,891,907**	–
Liability component of Convertible Bonds	2015	**–**	1,044,199,221	**–**	1,044,199,221
Loan from a shareholder (ii)	2014	**–**	8,238,254#	**–**	8,238,254#
Bank loans	2028	**814,375,000**	–	**–**	–
Presented as non-current liabilities		**814,375,000**	1,052,437,475	**–**	1,052,437,475
Total borrowings		**2,802,830,706**	2,522,217,559	**632,891,907**	1,052,437,475

Bank loans

At 31 December 2013, the bank loans are secured by:

(a) a mortgage over the investment properties (Note 4);

(b) land related to development properties with carrying value totalling approximately RMB 563,639,100 (2012 : RMB534,005,000) (Note 6); and

(c) fixed and floating charges on assets of certain subsidiaries including fixed deposits pledged amounting to RMB 461.7 million (2012: RMB100 million).

The bank loans have a weighted average interest rate of 6.42% (2012 - 6.98%) per annum at the reporting date. Interest on the bank loans is repriced within 12 months (2012: 12 months).

Loans from a shareholder

* At 31 December 2013, loan from a shareholder is unsecured and bears a fixed interest rate of 14.2% per annum. Interest rate on the loans is based on comparable commercial rate payable on a similar loan.

\# At 31 December 2012, loan from a shareholder was unsecured and bore a fixed interest rate of 7% per annum. This loan was repaid during the financial year ended 31 December 2013. Interest rate in the loan was based on comparable commercial rate payable on a similar loan.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

14 Borrowings (Cont'd)

Loans from a shareholder **(Cont'd)**

The bank loans are denominated in the following currencies:

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Singapore dollar	**632,891,907**	1,052,437,475	**632,891,907**	1,052,437,475
Renminbi	**1,502,174,999**	1,374,858,947	**–**	–
United States dollar	**667,763,800**	94,921,137	**–**	–
	2,802,830,706	2,522,217,559	**632,891,907**	1,052,437,475

Convertible bonds

In March 2010, the Company issued Singapore dollar (S$) 200 million principal amount of Convertible Bonds (the "Bonds") due 3 March 2015 (the "Maturity Date") which carry interest rate at 4% per annum. The 2010 Bonds are convertible by holders into new ordinary shares in the capital of the Company (the "Shares") at the conversion price of S$0.8029 per share at any time on and after 13 April 2010 up to the close of business on 21 February 2015. The conversion price may be adjusted for certain specified dilutive events.

At any time on or after 3 March 2013 and prior to the date falling 10 business days prior to the Maturity Date, the Company may mandatorily convert all but not some only of the Bonds outstanding into the Shares, provided that no such conversion may be made unless the volume weighted average price of the Shares for each of 30 consecutive trading days, the last of which occurs not more than 10 trading days prior to the date of the notice of conversion, was at least 130% of the applicable conversion price then in effect.

If at any time the aggregate principal amount of the Bonds outstanding is less than 10% of the aggregate principal amount originally issued, the Company shall have the option to redeem such outstanding Bonds in whole but not in part at their early redemption amount together with accrued, but unpaid, interest (calculated up to, but excluding, the date fixed for such redemption).

The Company will, at the option of the Bondholder, redeem all or some only of such Bondholder's Bonds on 3 March 2013 at 108.136% of their principal amount as at the relevant date fixed for redemption together with interest accrued to the date fixed for redemption.

In the event of certain changes in the laws and regulations relating to taxation in Singapore, the Company may, subject to certain conditions being satisfied, give notice to redeem the Bonds in whole but not in part at their early redemption amount, together with accrued, but unpaid, interest calculated up to, but excluding the date fixed for redemption.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

14 Borrowings (Cont'd)

Convertible bonds **(Cont'd)**

Upon: (i) the delisting of the Shares, or the suspension of the Shares for a period of 30 trading days or more, from the SGX-ST or, if applicable, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in; or (ii) a change in control of the Company, the Bondholder will have the right, at such Bondholder's option, to require the Company to redeem all or some only of such Bondholder's Bonds at a price equal to their early redemption amount together with interest accrued to the date fixed for redemption.

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Company will redeem each Bond at 114.496% of its principal amount plus unpaid accrued interest thereon on the Maturity Date.

On 3 March 2013, the Company redeemed all outstanding Bonds for an aggregate consideration of RMB1,086,917,100 in cash.

The Group	**2013 RMB**	2012 RMB
Proceeds from issue of convertible bonds	**974,620,000**	974,620,000
Transaction costs	**(37,708,797)**	(37,708,797)
Net proceeds	**936,911,203**	936,911,203
Amount classified as equity (Note 12)	**(49,444,008)**	(49,444,008)
Accreted interest	**156,448,260**	133,277,402
Convertible bonds repurchased (but not cancelled)	**(23,483,953)**	(23,020,970)
Translation differences	**37,674,319**	46,475,594
Amount classified as equity derecognised upon redemption	**49,444,008**	–
Translation differences reclassified to profit or loss upon redemption	**(37,674,319)**	–
Redemption of convertible bonds	**(1,086,917,100)**	–
Loss on redemption of convertible bonds	**17,041,590**	–
Carrying amount of liability at 31 December	**–**	1,044,199,221

The amount of the convertible bonds classified as equity of RMB49,444,008 is net of attributable transaction costs of RMB1,991,163 associated with the issue of the bonds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

14 Borrowings (Cont'd)

Convertible bonds **(Cont'd)**

At the reporting date, the Company has utilised RMB 774,492,152 (2012: RMB 774,492,152) of the net proceeds as follows:

	2013 RMB	2012 RMB
Investments in subsidiaries	724,140,652	724,140,652
Payment for the acquisition of land parcel for development	50,351,500	50,351,500
	774,492,152	774,492,152

The utilisation is in accordance with the intended use of the proceeds from the Bonds Offering as stated in the related Convertible Bonds Announcement.

15 Trade and other payables

	The Group		The Company	
	2013 RMB	2012 RMB	2013 RMB	2012 RMB
Trade payables (A)	363,863,143	347,438,152	–	–
Accrued expenses	36,947,269	14,113,866	11,525,094	3,862,411
Rental and option deposits	66,735,726	40,449,064	–	–
Project deposits	16,653,000	25,000,000	–	–
Others	1,324,910	595,397	481	510
Other payables (B)	121,660,905	80,158,327	11,525,575	3,862,921
Financial liabilities measured at amortised cost – Trade and other payables (A) + (B)	485,524,048	427,596,479	11,525,575	3,862,921
Advances from customers	673,557,200	622,790,134	–	–
Advances from sub-contractors	–	2,402,037	–	–
Other current liabilities (C)	673,557,200	625,192,171	–	–
Total current trade and other payables (A) + (B) + (C)	1,159,081,248	1,052,788,650	11,525,575	3,862,921

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

15 Trade and other payables (Cont'd)

Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Singapore dollar	**11,525,575**	4,205,442	**11,525,575**	3,862,921
Renminbi	**1,143,047,531**	1,048,583,208	**–**	–
United States dollar	**4,508,142**	–	**–**	–
	1,159,081,248	1,052,788,650	**11,525,575**	3,862,921

Trade payables have credit terms of between 60 to 180 days (2012 – between: 60 to 180 days).

16 Revenue

	2013	2012
	RMB	RMB
The Group		
Sale of development properties	**524,713,216**	501,000,414
Rental income from investment properties	**114,109,719**	84,219,968
	638,822,935	585,220,382

17 Other income

	2013	2012
The Group	**RMB**	RMB
Interest income		
– fixed deposits	**5,374**	314,712
– bank balances	**4,986,380**	748,420
	4,991,754	1,063,132
Sublet rental income	**558,127**	1,104,355
Government grants	**466,000**	14,661,664
Others	**1,059,350**	228,278
	7,075,231	17,057,429

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

18 Profit before taxation

The following items have been included in arriving at profit before taxation:

The Group	Note	2013 RMB	2012 RMB
Exchange loss, net		**14,894,954**	1,145,491
Loss on redemption of convertible bonds	14	**17,041,590**	–
Depreciation of property, plant and equipment	3	**2,235,960**	2,324,832
Loss on disposal of property, plant and equipment		**24,579**	32,131
Donations		**3,160,000**	3,155,000
Operating lease expense		**1,781,755**	1,881,497
Write-off of investment properties	4	**–**	11,822,320
Interest expense:			
– bank loans		**103,746,066**	1,211,214
– loans from a shareholder		**423,173**	48,822
– convertible bonds		**924,679**	14,014,275
		105,093,918	15,274,311
Directors' fees		**1,846,563**	1,646,112
Staff costs:			
Key management personnel			
Directors' remuneration other than fees			
– salaries, wages and other related costs		**4,894,591**	3,037,390
– contributions to defined contribution plans		**232,622**	206,245
– Equity-settled share-based payment transactions		**939,456**	1,047,223
Other than Directors			
– salaries, wages and other related costs		**5,613,207**	6,313,835
– contributions to defined contribution plans		**443,712**	419,499
– Equity-settled share-based payment transactions		**2,441,087**	4,654,166
Other than key management personnel			
– salaries, wages and other related costs		**19,645,049**	12,373,650
– contributions to defined contribution plans		**2,520,418**	675,470
– Equity-settled share-based payment transactions		**2,853,872**	15,027,106
		39,584,014	43,754,584

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

19 Tax expense

The Group	2013 RMB	2012 RMB
Current tax expense		
Current taxation	**34,071,766**	56,291,674
Deferred tax expense		
Movements in temporary differences (Note 13)	**53,053,341**	81,905,364
	87,125,107	138,197,038

Reconciliation of effective tax rate

The Group	2013 RMB	2012 RMB
Profit before taxation	**292,284,881**	515,805,728
Tax at statutory rate of 17% (2012: 17%)	**49,688,430**	87,686,974
Expenses not deductible for tax purposes	**–**	72,250
Deferred tax assets on current year losses not recognised	**6,854,193**	5,134,688
Effect of tax rates in foreign jurisdictions	**30,582,484**	45,303,126
	87,125,107	138,197,038

At the reporting date the Group had unabsorbed tax losses of RMB86.6 million (2012: RMB59.2 million) attributable to certain subsidiaries expiring from 2014 through 2018.

These unabsorbed tax losses are available for carry forwards and set-off against future taxable income, subject to agreement by tax authorities and compliance with certain provisions of the tax legislations of the respective countries in which the subsidiaries operate.

Deferred tax assets of approximately RMB21.7 million (2012: RMB14.8 million) have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

20 Earnings per share

The Group	2013 RMB	2012 RMB
Profit attributable to ordinary shareholders of the Company	**205,663,584**	377,183,593
Profit impact of conversion of the dilutive potential ordinary shares	**–**	43,211,877
Adjusted net profit attributable to equity holders of the Company	**205,663,584**	420,395,470
Weighted average number of ordinary shares used in calculation of basic earnings per share	**2,167,106,906**	2,162,583,338
Weighted average number of unissued ordinary shares from convertible bonds	**–**	249,097,023
Weighted average number of unissued ordinary shares	**42,290,323**	56,546,766
Weighted average number of ordinary shares used in calculation of diluted earnings per share	**2,209,397,229**	2,468,227,127
Earnings per share (RMB):		
– Basic	**0.09**	0.17
– Diluted	**0.09**	0.17

The share options were not included in the computation of diluted earnings per share because they were anti-dilutive.

21 Related party transactions

Other than as disclosed elsewhere in the financial statements, transactions with related parties based on terms agreed between the parties are as follows:

The Group	2013 RMB	2012 RMB
Interest expense on loans from a shareholder	**423,173**	12,092,522
Business consultancy fees expense paid and payable to a Director	**–**	240,000
Rental income from sub-letting of office premises to a firm of which a Director of the Company is a member	**558,127**	957,072

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

22 Commitments

(i) Capital commitments

The Group	2013 RMB	2012 RMB
Development and investment properties expenditure contracted but not provided for in the financial statements	**647,762,797**	554,333,924

(ii) Lease commitments

(A) Where the Company is the lessee

At the reporting date, the Company was committed to making the following rental payments in respect of a non-cancellable operating lease of office premises.

The Company	2013 RMB	2012 RMB
Not later than one year	**1,772,899**	1,450,760
Later than one year and not later than five years	**369,354**	3,665,077
	2,142,253	5,115,837

The lease expires in March 2015 with an option to renew the lease after that date.

(B) Where the Group and Company are lessors

At the reporting date, the Group and Company had the following rentals receivable under non- cancellable operating leases for commercial and residential premises.

	The Group		The Company	
	2013 RMB	2012 RMB	**2013 RMB**	2012 RMB
Not later than one year	**152,703,063**	103,311,488	**448,686**	725,380
Later than one year and not later than five years	**449,475,231**	358,751,036	**93,476**	1,832,539
Later than five years	**405,555,747**	414,260,158	**–**	–
	1,007,734,041	876,322,682	**542,162**	2,557,919

The operating leases of these commercial and residential premises expire between 2012 and 2026 and contain renewal options.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

23 Operating segments

For management reporting purposes, the Group is organised into the following reportable operating segments which are the Group's strategic business units as follows:

1) Property investment segment relates to the business of investing in properties to earn rentals and for capital appreciation;

2) Property development segment relates to the development of properties for sale; and

3) Others comprise property consultancy, sale, marketing and management services and corporate office functions.

The Group Chief Executive Officer ("Group CEO") monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Intersegment pricing is determined on an arm's length basis.

The Group's income taxes and cash resources are managed on a group basis and are not allocated to operating segments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

23 Operating segments (Cont'd)

	31 December 2013				31 December 2012			
	Property investment RMB	Property development RMB	Others RMB	Total RMB	Property investment RMB	Property development RMB	Others RMB	Total RMB
Revenue	**114,109,719**	**524,713,216**	**–**	**638,822,935**	83,856,978	501,363,404	–	585,220,382
Segment results	**67,312,397**	**132,448,203**	**(51,983,762)**	**147,777,438**	51,367,187	140,837,302	(56,481,382)	135,723,107
Interest income	**–**	**–**	**4,991,754**	**4,991,754**	–	–	1,063,132	1,063,132
Interest expense	**–**	**(105,093,918)**	**–**	**(105,093,918)**	–	(15,274,311)	–	(15,274,311)
Government grants	**–**	**466,000**	**–**	**466,000**	–	14,661,664	–	14,661,664
Sublet rental income	**–**	**–**	**558,127**	**558,127**	–	–	1,104,355	1,104,355
Loss on disposal of property, plant and equipment	**–**	**–**	**(24,579)**	**(24,579)**	–	–	(32,131)	(32,131)
Other income	**–**	**–**	**1,059,350**	**1,059,350**	–	166,368	61,911	228,279
Fair value gain on investment properties	**259,592,299**	**–**	**–**	**259,592,299**	378,331,633	–	–	378,331,633
Loss on redemption of convertible bonds	**–**	**(17,041,590)**	**–**	**(17,041,590)**	–	–	–	–
Profit before tax	**326,904,696**	**10,778,695**	**(45,398,510)**	**292,284,881**	429,698,820	140,391,023	(54,284,115)	515,805,728
Segment assets	**1,625,383,931**	**5,605,604,385**	**34,825,562**	**7,265,813,878**	1,819,757,917	4,726,799,455	69,587,862	6,616,145,234
Total assets	**–**	**–**	**–**	**7,992,945,529**	–	–	–	7,375,119,154
Segment liabilities	**20,275,201**	**3,421,852,188**	**1,003,377,830**	**4,445,505,219**	8,273,907	2,568,004,419	1,429,267,807	4,005,546,133
Total liabilities	**–**	**–**	**–**	**4,541,146,307**	–	–	–	4,141,759,243
Other information								
Exchange loss, net	**–**	**14,894,954**	**–**	**14,894,954**	–	1,145,491	–	1,145,491
Capital expenditure	**–**	**–**	**1,462,329**	**1,462,329**	–	–	2,148,382	2,148,382
Depreciation of property, plant and equipment	**–**	**–**	**2,235,960**	**2,235,960**	–	–	2,324,832	2,324,832
Amortisation of other non-current assets	**5,196,746**	**–**	**–**	**5,196,746**	1,296,226	–	–	1,296,226
Equity-settled share-based payment transactions	**939,456**	**2,441,087**	**2,853,872**	**6,234,415**	288,698	14,738,408	5,701,389	20,728,495
Write-off of investment properties	**–**	**–**	**–**	**–**	11,822,320	–	–	11,822,320

The Group derived all its revenue from the PRC. Therefore, no geographical information is presented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

23 Operating segments (Cont'd)

Reconciliations of reportable segment assets:

The Group	2013 RMB	2012 RMB
Segment assets	**7,265,813,878**	6,616,145,234
Unallocated assets:		
Cash and cash equivalents	**727,131,651**	758,973,920
Consolidated assets	**7,992,945,529**	7,375,119,154

Reconciliations of reportable segment liabilities:

The Group	2013 RMB	2012 RMB
Segment liabilities	**4,445,505,219**	4,005,546,133
Unallocated liabilities:		
Provision for taxation	**95,641,088**	136,213,110
Consolidated liabilities	**4,541,146,307**	4,141,759,243

24 Financial risk management

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, market risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual growth while minimising losses arising from credit risk exposure. The Group closely monitors and avoids any significant concentration of credit risk on any of its development properties sold. In addition, receivable balances and payment profile of the debtors are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

24 Financial risk management (Cont'd)

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At the reporting date, other than as disclosed in Note 7, no allowance for impairment is necessary in respect of trade and other receivables past due and not past due based on the credit quality and past collection history of the counterparties.

At the reporting date there is no significant concentration of credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises from its variable rate bank borrowings and bank balances. Interests on bank borrowings are repriced within 12 months (2012 - 12 months).

<u>Cash flow sensitivity analysis for variable rate instruments</u>

For the variable rate financial assets and liabilities, a 50 basis points ("bp") change in interest rates at the reporting date would have increase/decreased profit before tax and equity by amounts as shown below. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit before tax increase/(decrease)		**Equity** increase/(decrease)	
	50 bp increase RMB'000	50 bp decrease RMB'000	50 bp increase RMB'000	50 bp decrease RMB'000
The Group				
31 December 2013				
Variable rate bank loans	(13,534)	13,534	(13,534)	13,534
Variable rate fixed deposits	2,712	(2,712)	2,712	(2,712)
	(10,822)	10,822	(10,822)	10,822
31 December 2012				
Variable rate bank loans	(7,349)	7,349	(7,349)	7,349
Variable rate fixed deposits	756	(756)	756	(756)
	(6,593)	6,593	(6,593)	6,593

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

24 Financial risk management (Cont'd)

Interest rate risk (Cont'd)

	Profit before tax increase/(decrease)		Equity increase/(decrease)	
	50 bp increase RMB'000	50 bp decrease RMB'000	50 bp increase RMB'000	50 bp decrease RMB'000
The Company				
31 December 2013				
Variable rate bank loans	(2,684)	2,684	(2,684)	2,684
Variable rate fixed deposits	–	–	–	–
	(2,684)	2,684	(2,684)	2,684
31 December 2012				
Variable rate bank loans	–	–	–	–
Variable rate fixed deposits	–	–	–	–
	–	–	–	–

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Most of the Group's transactions are carried out in RMB which is the functional currency of most of the group entities.

The Group is exposed to currency risk on borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the Singapore dollar (SGD) and US dollar (USD).

The Group does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

Sensitivity analysis – Foreign currency risk

A 5% (2012 - 5%) strengthening of the above currencies against the functional currencies of the Group entities at the reporting date would have increased/decreased profit before tax and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effects.

A 5% (2012 - 5%) weakening of the above currencies against the functional currencies of the Group entities at the reporting date would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

24 Financial risk management (Cont'd)

Currency risk (Cont'd)

	2013			2012		
	SGD strengthened 5% RMB'000	**USD strengthened 5% RMB'000**	**Total RMB'000**	SGD strengthened 5% RMB'000	USD strengthened 5% RMB'000	Total RMB'000
The Group						
Profit before tax						
– increase/(decrease)	**5,188**	**(33,478)**	**(28,290)**	412	(4,739)	(4,327)
Equity						
– increase/(decrease)	**5,188**	**(33,478)**	**(28,290)**	412	(4,739)	(4,327)
The Company						
Profit before tax						
– increase/(decrease)	**–**	**774**	**774**	–	423	423
Equity						
– increase/(decrease)	**–**	**774**	**774**	–	423	423

Fair value measurement

Fair value measurement of financial instruments

The carrying values of variable rate bank loans approximate their fair values.

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, balances with related parties, cash and cash equivalents, trade and other payables, deferred income and interest-bearing borrowings) or those which reprice regularly approximate their fair values because of the short period to maturity or repricing.

Fair value measurement of non-financial assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 December 2013:

The Group	**Level 1 RMB**	**Level 2 RMB**	**Level 3 RMB**	**Total RMB**
31 December 2013				
Commercial and residential premises	**–**	**–**	**3,836,299,000**	**3,836,299,000**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

24 Financial risk management (Cont'd)

Fair value measurement (Cont'd)

Fair value of the Group's investment properties is estimated based on appraisals performed by an independent firm of professional valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of Directors and audit committee at each reporting date.

The appraisal was carried out using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for differences in location of the unit within the development, floor level, floor area and date of transaction amongst other factors affecting value.

The extent and direction of these adjustments depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although these adjustments involve subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

Level 3 fair value measurements

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is as follows:

The Group	Investment Properties 2013 RMB
At 1 January	**3,109,869,000**
Transfer from completed properties for sale	**468,800,971**
Properties sold	**(1,963,270)**
Fair value gain recognised in profit or loss	**259,592,299**
At 31 December	**3,836,299,000**

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices.

The Group is not exposed to any movement in price risk as it does not hold any quoted or marketable financial instruments.

Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

24 Financial risk management (Cont'd)

Liquidity risk (Cont'd)

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand- by credit facilities.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flow, including estimated interest payments.

		Contractual undiscounted cash flows			
	Carrying amount RMB	Total RMB	Less than 1 year RMB	Between 2 and 5 years RMB	Over 5 years RMB
The Group					
31 December 2013					
Trade and other payables	485,524,048	485,524,048	485,520,448	–	–
Borrowings	2,802,830,706	3,282,088,679	1,171,147,471	1,128,140,958	982,800,250
	3,288,354,754	3,767,612,727	1,656,667,919	1,128,140,958	982,800,250
31 December 2012					
Trade and other payables	427,596,479	427,596,479	427,596,479	–	–
Borrowings	2,522,217,559	2,889,108,804	1,399,537,194	1,149,419,110	340,152,500
	2,949,814,038	3,316,705,283	1,827,133,673	1,149,419,110	340,152,500
The Company					
31 December 2013					
Trade and other payables	11,525,575	11,525,575	11,525,575	–	–
Borrowings	632,891,907	678,198,616	234,027,107	444,171,509	–
Amounts due to subsidiaries	706,504,002	706,504,002	706,504,002	–	–
	1,350,921,484	1,396,228,193	952,056,684	444,171,509	–
31 December 2012					
Trade and other payables	3,862,921	3,862,921	3,862,921	–	–
Borrowings	1,052,437,475	1,053,587,145	1,044,199,221	9,387,924	–
Amounts due to subsidiaries	119,050,833	119,050,833	119,050,833	–	–
	1,175,351,229	1,176,500,899	1,167,112,975	9,387,924	–

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

24 Financial risk management (Cont'd)

Financial instruments by category

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Financial assets				
Financial assets measured at amortised cost:				
Trade and other receivables	**125,712,180**	348,766,201	**565,664**	1,115,772
Amounts owing by subsidiaries	**–**	–	**1,663,265,801**	1,637,287,972
Cash and cash equivalents	**727,131,651**	758,973,920	**29,877,068**	17,411,599
	852,843,831	1,107,740,121	**1,693,708,533**	1,655,815,343
Financial liabilities				
Financial liabilities measured at amortised cost:				
Amount owing to subsidiaries	**–**	–	**706,504,002**	119,050,833
Trade and other payables	**485,524,048**	427,596,479	**11,525,575**	3,862,921
Borrowings	**2,802,830,706**	2,522,217,559	**632,891,907**	1,052,437,475
	3,288,354,754	2,949,814,038	**1,350,921,484**	1,175,351,229

25 Capital management

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern;

(b) To support the Group's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

The Company monitors capital using Gearing Ratio, which is net debt divided by total equity. Net debt represents total borrowings less cash and cash equivalents, excluding restricted bank balance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

25 Capital management (Cont'd)

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

The Group	2013 RMB	2012 RMB
Total borrowings (A)	**2,802,830,706**	2,522,217,559
Cash and cash equivalents	**727,131,651**	758,973,920
Less: Restricted bank balance	**(542,345,639)**	(151,261,045)
(B)	**184,786,012**	607,712,875
Net debt (C)=(A)-(B)	**2,618,044,694**	1,914,504,684
Total equity (D)	**3,451,799,222**	3,233,359,911
Gearing ratio (times) (C)/(D)	**0.76**	0.59

26 Contingent liabilities

The Group	2013 RMB	2012 RMB
Deposits pledged to banks to secure certain mortgage loans provided by banks to customers for purchase of the Group's development properties (Note 9)	**80,645,639**	151,261,045
Deposits pledged to banks to secure bank loans provided by banks to the Group's entities (Note 9)	**461,700,000**	–
	542,345,639	151,261,045

The financial effects of IAS 39 relating to financial guarantee contracts issued by the Group and the Company are not material to the financial statements and are, therefore not recognised.

Management has assessed the credit profit of the customers. No material losses under these guarantees are expected.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

27 Comparative information

The Group has reclassified an amount of RMB7,418,343 related to deposit for land acquisition from land for development to other receivables as at 31 December 2012. Since the amount is reclassification within the statement of financial position, this reclassification does not have any effect on the income statement and statement of cash flows.

	31 December 2012 (as reported) RMB	Adjustment RMB	31 December 2012 (Restated) RMB
The Group – Statement of financial position			
Land for development	7,418,343	(7,418,343)	–
Trade and other receivables	427,087,715	7,418,343	434,506,058

	1 January 2012 (as reported) RMB	Adjustment RMB	1 January 2012 (Restated) RMB
The Group – Statement of financial position			
Land for development	7,418,343	(7,418,343)	–
Trade and other receivables	171,749,667	7,418,343	179,168,010

SUBSTANTIAL SHAREHOLDERS

AS AT 19 MARCH 2014

ISSUED AND FULLY PAID-UP CAPITAL	:	S$739,058,415
NUMBER OF SHARES	:	2,169,294,867
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	1 VOTE PER SHARE
NUMBER OF TREASURY SHARES	:	NIL

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 999	5	0.07	2,091	0.00
1,000 – 10,000	3,003	38.84	23,133,268	1.07
10,001 – 1,000,000	4,685	60.60	267,970,694	12.35
1,000,001 & ABOVE	38	0.49	1,878,188,814	86.58
TOTAL	7,731	100.00	2,169,294,867	100.00

	TWENTY LARGEST SHAREHOLDERS	NO. OF SHARES	%
1	NEWEST LUCK HOLDINGS LIMITED	731,221,801	33.71
2	DBS VICKERS SECURITIES (S) PTE LTD	415,074,634	19.13
3	CITIBANK NOMINEES SINGAPORE PTE LTD	181,639,336	8.37
4	HSBC (SINGAPORE) NOMINEES PTE LTD	131,774,390	6.07
5	UOB KAY HIAN PTE LTD	90,127,000	4.15
6	PHILLIP SECURITIES PTE LTD	81,899,213	3.78
7	DBS NOMINEES (PTE) LTD	58,621,145	2.70
8	RAFFLES NOMINEES (PTE) LTD	32,467,704	1.50
9	LIM HONG CHING	25,208,000	1.16
10	UNITED OVERSEAS BANK NOMINEES PTE LTD	19,712,000	0.91
11	DBSN SERVICES PTE LTD	18,353,981	0.85
12	OCBC SECURITIES PRIVATE LTD	12,489,610	0.58
13	MAYBANK KIM ENG SECURITIES PTE LTD	11,056,000	0.51
14	CHEONG CHOONG KONG	7,762,000	0.36
15	BANK OF SINGAPORE NOMINEES PTE LTD	6,727,000	0.31
16	CIMB SECURITIES (SINGAPORE) PTE LTD	4,662,000	0.21
17	YUN KWANG HUN	4,000,000	0.18
18	KWAN WAI KEONG	3,896,000	0.18
19	CHEONG YEW-JIN	3,738,000	0.17
20	HONG LEONG FINANCE NOMINEES PTE LTD	3,330,000	0.15
		1,843,759,814	84.98

	SUBSTANTIAL SHAREHOLDERS	NO. OF SHARES	%
1	NEWEST LUCK HOLDINGS LIMITED	731,221,801	33.71
2	DBS VICKERS SECURITIES (S) PTE LTD	415,074,634	19.13
3	CITIBANK NOMINEES SINGAPORE PTE LTD	181,639,336	8.37
4	HSBC (SINGAPORE) NOMINEES PTE LTD	131,774,390	6.07

Note to the Secretary : The "Substantial Shareholders" are the registered shareholders as shown in the Register of Shareholders and do not include shares in which they are deemed to have interest.

SUBSTANTIAL SHAREHOLDERS

AS AT 19 MARCH 2014

Substantial Shareholders

	Direct interest	%	Indirect interest	%
Newest Luck Holdings Limited [1] [2]	800,153,014	36.89		
Leap Forward Holdings Limited [3]	409,530,634	18.88		
The Trustee of Columbia University in The City of New York [4]			409,530,634	18.88
Zana Capital Pte Ltd [5]			409,530,634	18.88
Zana China Fund L.P. [6]			409,530,634	18.88
Chan Hock Eng [7]			409,530,634	18.88
Ng Koon Siong [7]			409,530,634	18.88
Fang Ming [8]	94,167,774	4.34	800,153,014	36.89
	1,303,851,422	60.10		
Held in the hand of public		39.90		

Note

[1] Newest Luck Holdings Limited has a total beneficial interest in the 780,439,014 shares, of which 68,931,213 shares are held in the names of nominees.

[2] Balance of 24,586,000 shares (1.13%) which was transferred out in Jan 2010 pursuant to a securities lending agreement has yet to be returned. If this shares are to be included, total number of shares held will be 824,739,014 (38.02%).

[3] Total number of shares are are held in the names of nominees.

[4] The Trustee of Columbia University in The City of New York holds 28.41% of the issued share capital of Leap Forward Holdings Limited.

[5] Zana Capital Pte Ltd is deemed interested in the shares of the Company held by Leap Forward Holdings Limited by virtue of the provision of Section 7 of the Companies Act (Cap. 50) as it is a fund manager of Zana China Fund L.P. and manages its funds on a discretionary basis.

[6] Zana China Fund L.P. is deemed interested in the shares of the Company held by Leap Forward Holdings Limited by virtue of the provision of Section 7 of the Companies Act (Cap. 50).

[7] Mr. Chan Hock Eng and Mr. Ng Koon Siong hold 30.91% each of the issued share capital of Zana Capital Pte. Ltd., and are therefore deemed interested in the shares held by Leap Forward Holdings Limited by virtue of their shareholdings in Zana Capital Pte. Ltd.

[8] Mr. Fang Ming holds 85% of the issued Share Capital of Newest Luck Holdings Limited and is deemed interested in the shares of the Company held by Newest Luck Holdings Limited by virture of his shareholdings in Newest Luck Holdings Limited.

SHAREHOLDING HELD IN HAND OF PUBLIC

Based on the information available to the Company and to the best knowledge of the Company as at 19 March 2014, approximately 39.90% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual Issued by SGX-ST is compiled with.

NOTICE OF THE ANNUAL GENERAL MEETING

YING LI INTERNATIONAL REAL ESTATE LIMITED
(Incorporated in the Republic of Singapore)
(Company Reg. No. 199106356W)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "**AGM**") of the Company will be held at Meeting Room 330, Level 3 Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 28 April 2014 at 9.30 a.m. for the following purposes:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2013 together with the Reports of the Directors and Auditors thereon. (Resolution 1)

2. To re-elect Ms. Yang Xiao Yu, being a Director who retires pursuant to Article 106 of the Company's Articles of Association. **[Explanatory Notes 1 and 4]** (Resolution 2)

3. To re-elect Mr. He Zhao Ju @ Danny Ho, being a Director who retires pursuant to Article 106 of the Company's Articles of Association. **[Explanatory Notes 2 and 4]** (Resolution 3)

4. To re-elect Mr. Ho Sheng, being a Director who retires pursuant to Article 106 of the Company's Articles of Association. **[Explanatory Notes 3 and 4]** (Resolution 4)

5. To re-appoint Mr. Xiao Zu Xiu as Director of the Company to hold office until the conclusion of the next Annual General Meeting pursuant to Section 153(6) of the Companies Act, Cap. 50. **[Explanatory Note 5]** (Resolution 5)

6. To approve the payment of Directors' Fees of S$400,000 for the financial year ending 31 December 2014, payable half-yearly in arrears. **[Explanatory Note 6]** (Resolution 6)

7. To re-appoint Messrs Foo Kon Tan Grant Thornton as Auditors of the Company for the financial year ending 31 December 2014 and to authorise the Directors to fix their remuneration. (Resolution 7)

As Special Business

To consider and, if deemed fit, to pass the following Ordinary Resolutions with or without modifications:-

8. **SHARE ISSUE MANDATE**

   THAT pursuant to Section 161 of the Companies Act, Chapter 50 (the "Companies Act") and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:-

   I. (a) issue and allot shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or

NOTICE OF THE ANNUAL GENERAL MEETING

(b) make or grant offers, agreements or options (collectively, "Instruments") that may or would require shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and;

II. (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:-

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued share capital of the Company (excluding treasury shares) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the issued share capital of the Company (excluding treasury shares) (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the percentage of issued share capital shall be calculated based on the issued share capital of the Company (excluding treasury shares) at the time of the passing of this Resolution, after adjusting for:-

(i) new shares arising from the conversion or exercise of any convertible securities;

(ii) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidated or subdivision of shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing rules of SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

NOTICE OF THE ANNUAL GENERAL MEETING

(d) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company (the "AGM") or the date by which the next AGM of the Company is required by law to be held, whichever is earlier. **[Explanatory Note 7]** (Resolution 8)

9. **AUTHORITY TO ISSUE AND ALLOT SHARES UNDER**

(a) **YING LI EMPLOYEE SHARE OPTION SCHEME**

THAT the Directors of the Company be and are hereby authorized to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Ying Li Employee Share Option Scheme (the "Option Scheme") provided always that the aggregate number of shares to be issued pursuant to the Scheme, when added to the number of shares issued and/or issuable under other share-based incentives schemes of the Company shall not exceed five per cent (5%) of the total issued share capital (excluding treasury shares) of the Company from time to time. **[Explanatory Note 8]** (Resolution 9a)

(b) **YING LI PERFORMANCE SHARE PLAN**

THAT the Directors of the Company be and are hereby authorized to offer, allot and issue or deliver from time to time such number of fully paid-up shares as may be required to be issued pursuant to the vesting of awards under the Ying Li Performance Share Plan (the "Share Plan") provided always that the aggregate number of shares to be issued pursuant to the Plan, when added to the number of shares issued and or issuable under other share-based incentives schemes of the Company, shall not exceed five per cent (5%) of the total issued share capital (excluding treasury shares) of the Company from time to time. **[Explanatory Note 8]** (Resolution 9b)

10. To transact any other business that may properly be transacted at an Annual General Meeting.

By Order of the Board

Cai Mingyi
Ng Joo Khin
Company Secretaries

Singapore, 11 April 2014

NOTICE OF THE ANNUAL GENERAL MEETING

Explanatory Notes:

(1) **Resolution 2** – Ms. Yang Xiao Yu, if re-elected, will remain as Executive Director of the Company.

(2) **Resolution 3** – Mr. He Zhao Ju @ Danny Ho, if re-elected, will remain as the Non-Executive Director of the Company.

(3) **Resolution 4** – Mr. Ho Sheng, if re-elected, will be redesignated from his position as Non-Executive Director to Independent Director of the Company (the "**Redesignation**"). The Nominating Committee of the Company, having considered the qualifications and independence of Mr. Ho Sheng, have recommended the Redesignation to the Board, and the Board has adopted and approved the Redesignation.

(4) **Resolutions 2, 3 and 4** – Ms. Yang Xiao Yu, Mr. He Zhao Ju @ Danny Ho and Mr. Ho Sheng are retiring pursuant to Article 106 of the Company's Articles of Association.

(5) **Resolution 5** – Mr. Xiao Zu Xiu who is over the age of 70 years, if re-appointed, will remain as an Independent Director of the Company.

(6) **Resolution 6** – This is to facilitate the payment of Directors' fees during the financial year in which the fees are incurred. The Directors' fees will be paid half yearly in arrears. The aggregate amount of Directors' fees provided in the resolution is calculated on the assumption that all the Directors will hold office for the whole of the financial year ending 31 December 2014 ("FY 2014"). Should any Director hold office for only part of FY 2014 and not the whole of FY 2014, the Director's fee payable to him will be appropriately pro-rated.

(7) **Resolution 8** - If passed, will empower the Directors, effective until (i) the conclusion of the next Annual General Meeting of the Company; or (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, or (iii) the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of issued share capital of the Company (excluding treasury shares), of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the total number of issued shares will be calculated based on the total number of issued shares in the capital of the Company (excluding treasury shares) at the time this Resolution is passed, after adjusting for:-

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of Resolution 9, provided the options or awards were granted in compliance with Part VIII or Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of shares.

(8) **Resolutions (9a) & (9b)** – the aggregate number of shares to be issued under Ying Li Employee Share Option Scheme and Ying Li Share Performance Plan shall not exceed 5% of the total issued ordinary share capital (excluding treasury shares) of the Company from time to time.

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. Where a member appoints more than one proxy, the member must specify the proportion of shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100 per cent of the shareholdings of his appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

3. If the instrument appointing a proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he deems fit.

4. If the instrument appointing a proxy is returned without the name of the proxy indicated, the instrument appointing a proxy shall be invalid.

5. If the appointor is an individual, the instrument appointing a proxy shall be signed by the appointor or his attorney.

6. If the appointor is a corporation, the instrument appointing a proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. A corporation which is a member may authorise by resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Chapter 50).

7. The signature on the instrument appointing a proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing a proxy, failing which the instrument may be treated as invalid.

8. The instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758 not less than 48 hours before the time appointed for holding of the Annual General Meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting or adjourned meeting, as certified by The Central Depository (Pte) Limited to the Company.

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YING LI INTERNATIONAL REAL ESTATE LIMITED
(Incorporated in the Republic of Singapore)
(Reg. No. 199106356W)

PROXY FORM – ANNUAL GENERAL MEETING

1. For investors who have used their CPF monies to buy shares in the capital of Ying Li International Real Estate Limited, this report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ______________________________ (full name in capital letters)

NRIC No./Passport No./Company No. ______________________________

of ______________________________ (full address)

being a member/members of Ying Li International Real Estate Limited (the "Company"), hereby appoint :

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her, the Chairman of the Annual General Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at 9.30 a.m. on Monday, 28 April 2014 at Meeting Room 330, Level 3 Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matters arising at the Annual General Meeting and at any adjournment thereof.)

Resolution No.	ORDINARY BUSINESS	For	Against
Resolution 1	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2013 together with the Reports of the Directors and Auditors thereon		
Resolution 2	To re-elect Ms. Yang Xiao Yu, being a Director who retires pursuant to Article 106 of the Company's Articles of Association		
Resolution 3	To re-elect Mr. He Zhao Ju @ Danny Ho, being a Director who retires pursuant to Article 106 of the Company's Articles of Association		
Resolution 4	To re-elect Mr. Ho Sheng, being a Director who retires pursuant to Article 106 of the Company's Articles of Association		
Resolution 5	To re-appoint Mr. Xiao Zu Xiu as Director of the Company to hold office until the conclusion of the next Annual General Meeting pursuant to Section 153(6) of the Companies Act, Cap. 50		
Resolution 6	To approve the payment of Directors' Fees of S$400,000 for the financial year ending 31 December 2014		
Resolution 7	To re-appoint Messrs Foo Kon Tan Grant Thornton as Auditors of the Company for the financial year ending 31 December 2014 and to authorise the Directors to fix their remuneration		
	SPECIAL BUSINESS		
	Ordinary Resolution		
Resolution 8	To approve and adopt Share Issue Mandate		
Resolution 9a	To authorize the Directors to allot and issue shares pursuant to the Ying Li Employee Share Option Scheme		
Resolution 9b	To authorize the Directors to allot and issue shares under the Ying Li Performance Share Plan		

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Total Number of Shares held in :	
CDP Register	
Register of Members	

Dated this ________ day of ______________ 2014

____
Signature(s) of members(s) or Common Seal

NOTES :

1. Please insert the total number of Shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

3. Where a member appoints more than one proxy, the member must specify the proportion of shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100 per cent of the shareholdings of his appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

4. If the instrument appointing a proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstained as he thinks fit.

5. If the instrument appointing a proxy is returned without the name of the proxy indicated, the instrument appointing a proxy shall be invalid.

6. If the appointor is an individual, the instrument appointing a proxy shall be signed by the appointor or his attorney.

7. If the appointor is a corporation, the instrument appointing a proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. A corporation which is a member may authorise by resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

8. The signature on the instrument appointing a proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing a proxy, failing which the instrument may be treated as invalid.

9. The instrument appointing a proxy must be deposited at the Office of the Share Registrar of the Company, B.A.C.S Private Limited at 63 Cantonment Road, Singapore 089758, not less than 48 hours before the time appointed for holding of the Annual General Meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting or adjourned meeting, as certified by The Central Depository (Pte) Limited to the Company.

COMPANY REGISTRATION NUMBER
199106356W

REGISTERED OFFICE
6 Temasek Boulevard
#24-04 Suntec Tower Four
Singapore 038986
Tel: (65) 6334 9052
Fax: (65) 6733 3458
Website: www.yingligj.com

BOARD OF DIRECTORS
Fang Ming
(Executive Chairman and Group Chief Executive Officer)

Yang Xiao Yu
(Executive Director)

Christopher Chong Meng Tak
(Lead Independent Director)

Tan Sek Khee
(Independent Director)

Xiao Zu Xiu
(Independent Director)

He Zhao Ju @ Danny Ho
(Non-Executive Director)

Ho Sheng
(Non-Executive Director)

Tan Kim Seng
(Non-Executive Director)

NOMINATING COMMITTEE
Christopher Chong Meng Tak
(Chairman)

Ho Sheng

Xiao Zu Xiu

REMUNERATION COMMITTEE
Tan Sek Khee
(Chairman)

Tan Kim Seng

Xiao Zu Xiu

AUDIT COMMITTEE
Christopher Chong Meng Tak
(Chairman)

Tan Sek Khee

He Zhao Ju @ Danny Ho

COMPANY SECRETARIES
Ng Joo Khin
Stamford Law Corporation
10 Collyer Quay
#27-00 Ocean Financial Centre
Singapore 049315
Tel: (65) 6389 3000
Fax: (65) 6389 3099

Cai Ming Yi

SHARE REGISTRAR AND SHARE TRANSFER OFFICE
B.A.C.S.Private Limited
63 Cantonment Road
Singapore 089758

AUDITORS
Foo Kon Tan Grant Thornton LLP
Certified Public Accountants
47 Hill Street, #05-01
Singapore Chinese Chamber of
Commerce & Industry Building,
Singapore 179365
Partner-in-charge: Shirley Ang Soh Mui, CPA

PRINCIPAL BANKERS
China Construction Bank
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
Huaxia Bank

英利国际置业

YING LI INTERNATIONAL REAL ESTATE LIMITED

6 Temasek Boulevard
#24 - 04 Suntec Tower Four
Singapore 038986
Tel: (65) 6334 9052 • **Fax:** (65) 6733 3458
Website: www.yingligj.com